

# Auckland Transport Quarterly Report

Quarter ended 30 September 2016

CCO Governance and Monitoring Committee



***Millionth AT HOP card sold.***

*Four out of five customers now choose to pay for their public transport with the card.*

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# 1. Executive summary

## Key Achievements for the Quarter

Auckland Transport (AT) has had a successful start to the year with progress on a broad front and a number of significant milestones achieved. AT is well set up for delivery across the remainder of the year, despite a busy programme of work. Highlights for the quarter were:

- City Rail Link (CRL) Heads of Agreement signed with the Crown confirming 50% Government funding. The CRL also won an Infrastructure Sustainability Council of Australia award for the design and construction planning of contract two (Albert Street tunnels and stormwater diversion).
- Pukekohe bus and train station upgrade contract awarded and work commenced – a \$15.4 million contract
- Warkworth western collector bridge formation work completed
- Public Transport patronage has held up well, particularly on rail and the Northern busway, despite lower petrol prices and unsettled weather. Particular achievements for public transport:
  - Simpler Fares have been implemented. This reduced fares on some journeys and enabled people to travel up to five legs and have the trip counted as if a single journey.
  - The millionth HOP card was sold. Almost nine out of ten journeys are now made using a HOP card, an outstanding result on an international scale. Pre-paid AT HOP cards are also now available at New World, PAK'n Save and Four Square stores across Auckland.
  - 104,000 SuperGold cardholders have been issued with HOP cards – this was a significant communications exercise
- Of the 28 KPIs measured quarterly, 19 are either on track or exceeding expectations. Remedial action is underway for the remainder to ensure full year targets are met.
- East West Frequent Bus Network completed detailed design for early works
- The final Auckland Transport Alignment Project (ATAP) report was completed. This report is a joint project with Auckland Council (AC), NZ Transport Agency, Ministry of Transport and Treasury to identify required improvements in transport infrastructure over the next 30 years
- Matakana cycle and pedestrian bridge installed
- Joint Local Board/AT projects – the Mt Albert pedestrian footbridge (partly funded by the Eden-Albert Local Board) was opened and construction continues on the Half Moon Bay ferry pier (Howick Local Board). The wharf foundations have been completed.
- AT launched an official Facebook page
- In a first for the region, AT has teamed up with Countdown to introduce online grocery 'click and collect' collection points at five locations – Albany Bus Station, New Lynn Transport Centre, Orakei Train Station, Waiheke Ferry Terminal, and Downtown Car Park

- During this period construction continued at pace on the Albany Highway upgrade (\$38 million and 3.4 kilometres long). This project was opened in early October, six months ahead of schedule.

Financial performance for the first quarter is also ahead of budget. Revenue is above budget and expenses are below. Delivery of an ambitious capital programme is on track.

## Financial Performance

AT's net surplus before tax (this includes funding for capital items) for the three months ended 30 September 2016 was \$111.1 million against a budget of \$89.6 million, mainly due to vested asset income. Already this year \$40.3 million of vested assets have been received.

Deficit from operations (this excludes funding for capital items) was \$72.4 million, \$11.2 million favourable to budget. However, this is not expected to continue. Revenue from external sources (e.g. public transport fare and infringement revenue) is expected to be behind budget by the end of the year. There is a planned budget realignment before the end of December. This will formalise the required actions to be undertaken to operate within the funding envelope set at the beginning of the year through a combination of revised revenue budgets, tighter management of expenditure and potential additional revenue sources.

Capital expenditure excluding vested assets was \$142.7 million against a budget of \$147.9 million. Delivery is heavily phased to later in the year and the quarterly review currently underway will be key to ensuring delivery of this year's programme. The Manukau Bus/ Rail interchange has been awarded as anticipated during October, however there is a considerable programme of work to be delivered.

## Non-Financial Performance

There are 34 non-financial performance measures covered by the Statement of Intent (SOI). Of the 34, 7 are **on target to exceed** the performance measure, 12 are **on target to meet** the performance measure, 7 are **not on target to meet** the performance measure, and 8 are annual measures.

Highlights in terms of performance are:

- A total of 1.1 kilometres of cycleway have been added to the regional cycle network for the year to date
- 88% of customer service request relating to roads and footpaths received a response within AT's specified timeframes (Target: 85%)
- Baseline travel time were maintained on eight of the ten key freight routes
- Arterial road productivity is above target

Corrective actions required is underway.

## Risk Management

The AT Board leads the risk management process. Key risks are monitored and reported to the Finance and Risk Committee regularly. No risks have been identified that are of a senior management or governance level that could impact on the well-being or reputation of the Council Controlled Organisation or Auckland Council, other than macro issues such as 'congestion levels'. These will require a long term focus and significantly more early funding if measurable improvement is expected in this KPI.

## 2. Strategic issues and focus areas

In line with our strategic themes, AT has progressed the following projects over the quarter to 30 September 2016:

Strategic themes:	- Prioritise rapid, high frequency public transport
	- Transform and elevate customer experience
	- Build network optimisation and resilience
	- Ensure sustainable funding model
	- Develop creative, adaptive, innovative implementation

- **City Rail Link** – The project has now completed the reference design. This stage of design will enable the project to go to market and also re-baseline the expected cost. Early construction works have commenced on Albert Street and the Britomart Precinct. The resource consent for the main works (Aotea to Mt Eden) is due for a Council hearing in October 2016. Several packages of minor alterations to the CRL designation will be lodged in October 2016.
- **AMETI** – ATAP report has confirmed the strategic importance of the AMETI programme and proposes delivery in the first decade. The AMETI programme has completed a joint review with Auckland Council and the Transport Agency of the AMETI delivery strategy with regards to the timing of the Reeves Road Flyover and Stage 2B (busway between Pakuranga and Botany). It was endorsed by the AT Board in April 2016 and has been communicated to stakeholders.
- **North West Transformation** – Auckland Council is preparing a Whenuapai structure plan in consultation with the Transport for Future Urban Growth (TFUG) study team. The structure plan, which is expected to be released early in 2017, will outline the changes/additions required to the existing roading network to support the development that will be occurring in the area bounded by State Highways 16 and 18 and the Upper Harbour coastline. The North West Transformation programme of works is also being reviewed as part of the TFUG study. It is likely that the study will result in changes to previously identified projects and will also identify additional projects that are needed to support development in the North West.
- **Otahuhu Bus/Rail Interchange** – Works are continuing at pace, with the structural work complete and fit-out of shelters and the concourse/ground floor amenity work underway. The CRL platform is also underway, with the platform front-face blocks installed and backfilling well advanced. Work is progressing on future-proof foundations for shelters and new overhead line masts to be installed in future years post-project. The addition of electronic ticket gates separating the rail platforms, will happen in April 2017, following arrival of the gates from Europe.
- **Public Transport Safety Security and Amenity** – Design of ticketing gates for six stations is on-going. Stations to be gated are Henderson, Manurewa, Middlemore, Papatoetoe, Glen Innes and Papakura. The intent is to complete the majority of stations by the end of 2017 calendar year, although Glen Innes and Papakura will run longer into 2018. Ticket gate devices have a long lead time of approx. ten months and are expected in May 2017. Further investigation of funding options with stakeholders for Glen Innes station is being undertaken.
- **Wynyard Quarter** – Integrated Road Programme - The Halsey and Gaunt Street package has been split into 3 stages:

- **Stage 1:** Halsey Street (between Fanshawe Street and Gaunt Street) and Gaunt Street (between Viaduct Harbour Avenue and the NZBus entrance) have been completed.
  - **Stage 2:** Halsey Street (between Gaunt Street and the NZBus depot exit) is substantially complete and open to localised traffic (Buses and Sofitel hotel access).
  - **Stage 3:** Halsey Street north (between NZBus depot exit and Pakenham Street) current works are in progress. These include progressing box culvert, utility diversions, rain gardens, stabilisation, stormwater and waste water works, with expected completion date of mid-January 2017. Planning has started around delivering the next work packages (Daldy Street, linear and central park, and the remainder of Gaunt Street). It is expected that the remainder of Gaunt Street will be constructed after completion of Stage 3 above, followed by Daldy Street and the park upgrades.
- **Walking & Cycling major projects**
    - **GI/Tamaki Shared Path** – Section 1 from Merton Road to St Johns Road is in the construction phase and is due to be completed by the end of October / early November 2016. Consent hearings for Section 2 (St Johns Rd to Meadowbank station) and Section 3 (the Orakei Basin Boardwalk widening) took place in August. A decision to approve both applications, subject to conditions, has been formally issued. Detailed design for Section 3 has been completed and preparation for the construction phase (after resource consent) is underway to a planned start early in November 2016.
    - **Westhaven to CBD Cycle Route** – The objective of the Westhaven to City cycleway project is to provide a connection for experienced cyclists between Westhaven Drive and Customs Street (referred to as Section 1), and a connection for less experienced cyclists between Customs Street and Quay Street (referred to as Section 2). The project is currently in the optioneering stage. Two ‘feasible’ options have been developed for Section 1, while a number of options are still under development for Section 2. Section 1 options primarily propose signing, lining, wayfinding and traffic calming measures where cyclists and traffic will share the road. Section 2 options are more complex, and propose dedicated cycle lanes or separated facilities for the less experienced cyclists. Engagement with key stakeholders will start in October with delivery of the project (both sections) programmed to be completed by July 2017.
    - **K-Road Cycle Route** – Project endorsement of the preferred concept design will allow for the commencement of public consultation starting in October. Procurement planning is underway for detailed design services to follow completion of preliminary design in February 2017.
  - **Travel planning initiatives**
    - This quarter AT promoted safe walking and cycling through school crossing training, park and walk events, promotions at assembly, student-led events and road-safety focused promotions such as ‘Slow Down Around Schools’. Nineteen new walking school bus routes were established and 24 separate walking school bus events held to encourage and support students and parent volunteers to get involved in the programme. In September, a movie event for walking school bus volunteers and students was held to celebrate the programme and collect feedback of the programme. From the evaluation we learnt that walking school bus volunteers appreciated the support and

communication from AT and that the resources were very useful for encouraging students to use buses.

- Between July and September 2016, 21 schools were involved in 32 'Slow Down Around Schools' events. Students collected and analysed speed information using an AT speed reader or as part of a Police speed campaign. Students then communicated speed reduction messages through feedback to drivers, through notices, postcards and flyers in the school and local community.
  - Additionally, over 400 primary school students participated in road crossing training. The training covered how to cross a road when there are no road patrollers on duty or when there is no crossing and looking for "sneaky" driveways.
- **Route optimisation**
    - Traffic signal optimisation of the Auckland City Centre has progressed effectively during CRL construction work through active monitoring of the network. To date, key elements of the transport network; namely the bus movements, general traffic access and motorway connections, and pedestrian provision are at acceptable levels despite the extensive construction works underway.
    - Area-wide Traffic Signal Optimisation is being rolled out with dedicated teams set up at ATOC Smales to actively monitor key routes across the network. Active monitoring of the six SOI General Traffic Corridors and five SOI Freight Corridors has been initiated in this first quarter.
    - The Network Optimisation programme of works involving physical changes to the network continues with a large focus this quarter on the detailed design of the proposed Whangaparaoa Road Dynamic Lane project. This innovative and ambitious trial is planned for implementation in the first half of 2017.
  - **Health and Safety**
    - Development of our critical risk and hazard management programme is underway. We have undertaken the initial step of identifying our most critical risks, called our Top Line Risks, and have agreed to twelve risks as a priority for Bowtie / Control Plan development.
    - Preparation for the upcoming Workplace Safety Management Practices audit is underway, the audit is scheduled for 28 and 29 October. Risk and Audit are supporting the process and have undertaken to complete the required self-audit on our behalf. Currently collaborating with Auckland Council in preparation of body of evidence for ACC accreditation.
  - **Key People Deliverables**
    - **Flexible Working** – AT's refreshed flexible working approach was launched in July. Over 200 staff and managers attended briefing sessions. A simple framework, and online support tools and training are helping embed this approach.
    - **Accommodation move: People and Change** – In preparation for the office move to the Viaduct building in late 2017, AT has piloted a change readiness workshop for staff, assisted with interim staff relocation from Smales Farm to Albany premises, and assessed team functions, logistics and working styles in conjunction with the business.

- **Simplification** – Work is in progress is to e-enable employee contracts and digitalise employee files. The AT careers website has been upgraded to be mobile compatible, ensuring candidates can apply for job opportunities using their mobile or tablet device. We have commenced a project to source a Learning Management System for AT, which will consolidate the different learning systems, processes and content across the business into one single platform.
- **Leadership Development** – 18 staff have completed six out of eight modules of the Authentic Leadership programme. The pilot for a new leadership programme for 'key influencers' in the business was completed in August. This was successful and will be incorporated into our leadership offering.
- **Wellbeing AT Work** – The launch of a suite of initiatives to help with help with ongoing motivation and support to improve our staffs health and wellbeing, including the SHIFT challenge (teams competing for points through exercise), health checks for staff, and support for a variety of events including Bike the Bridge, Round the Bays and the 2017 World Masters games.
- **People pulse survey** – preparation is underway for the second quarterly pulse engagement survey for staff, commencing on 10 October. In addition, a full engagement survey will be conducted in 15 months to gain deeper insight into our engagement drivers and their impact.

### 3.Highlights for the last quarter

- **City Rail Link** – Auckland Council and Central Government have signed a Heads of Agreement on the relationship between the parties and a 50/50 funding arrangement of the CRL project. The agreement formalises the Government's commitment to transport in Auckland. As the funding is retrospective this also means all the money spent to date will be matched by the Government. The Crown and Council have agreed to set up a joint company called CRL Ltd to allow them to put their respective funds into the company to allow for CRL procurement. CRL Ltd will then contract AT with KiwiRail to deliver CRL with their respective responsibilities.
- **Simpler Fares** – Simpler Fares successfully went live on 14 August 2016. 'Simpler Fares' is part of the transformation of the Metro customer value proposition along with the particular rollout of the new Network over the next 18 months. Simpler Fares provide for a single fare for a journey of up to five bus or train trips over four hours. As part of Simpler Fares ~33% of HOP trips reduced in price with ~66% remaining unchanged.

Significant behaviour change of customers has been seen where zone boundaries have changed compared to the previous stage boundaries. Customers taking more combined trips as part of their journey are expected as part of the transition to New Network with South Auckland in October, facilitated by Simpler Fares.

- **Auckland Transport Alignment Project (ATAP)** – The ATAP final report was publicly released on 15 September 2016. The final report represents more than a year's work by the agencies involved – Auckland Council, the Ministry of Transport, the NZ Transport Agency, the Treasury, the State Services Commission and AT. The ATAP report sets out a recommended strategic approach which focuses on making better use of our existing networks, targeting investment to the most significant challenges, and maximising new opportunities to influence travel demand.
- **Pukekohe Station Upgrade** – A new bus station adjacent to Pukekohe rail station. This will cater for the new bus network in South Auckland. It has the ability to cater for

six bus services, an 87 vehicle Park & Ride and a new pedestrian overbridge linking the bus shelter and rail platform. This overbridge will meet universal access requirements. As part of the scheme, the road intersection at Custom Street and Manukau Road will be upgraded and turned into a signalised intersection. Contract for Stage 1 has been awarded and works commenced onsite. Construction works are ongoing throughout the quarter. The Stage 2 design is being finalised and a procurement plan drafted for these works.

- **East West Bus Network** – Detailed design for the Stage 1 Early Works has been completed. Stage 1 construction in Mangere and Otahuhu began mid-September, and will complete by December 2016. Detailed Design for Stage 2 began in August. The primary objectives of the project are to improve public transport, cycling, and walking connections between Māngere Town Centre and Sylvia Park, via Ōtāhuhu. The new south bus network (including this route) is going live on 30 October 2016, and there is a need to improve facilities and deliver bus lanes to support the route. These works will be delivered ahead of the main works, which are planned to begin in 2019.

## 4. Future outlook

- **Rail Network** – Contract final acceptance for a further eight electric trains will be completed in the next quarter.
- **CRL** – Main works procurement strategy and development progressing to a tender for the Line Wide systems contract in Q4 2016.
- **AMETI** – Notice of Requirement and consent applications will be notified for Stage 2A (busway between Panmure and Pakuranga) and public open days for consultation on the Stage 2A consents will be held next quarter. Design, consenting and property acquisition activities for future stages. Complete construction of carpark at 118 Mt Wellington Highway.
- **North West Transformation** – Fred Taylor berm works to be completed in October 2016.
- **Manukau Bus/Rail Interchange** – Award of Main Building works programmed for 7 October 2016 and possession of site two weeks following. AT anticipates the station will be ready for operation in February 2018.
- **Otahuhu Bus Interchange** – Demolition of the Walmsley Road footbridge is planned on 8-9 October and the facility will partially open to rail passengers under controlled circumstances (fenced temporary pathways) from 3 October. A public open day is planned on 29 October, with first bus services beginning from 30 October. Electronic ticket gates will follow in the next quarter.
- **Public Transport Safety, Security and Amenity** – Design completion for Henderson, Middlemore, Manurewa and Papatoetoe stations. Glen Innes meetings with Local Board and other stakeholders to discuss the gating project and opportunities for related access enhancements. Papakura meetings with Local Board and other stakeholders to discuss concepts.
- **Pukekohe Station Upgrade Stage 1** – Interim bus station with intersection upgrade completion planned for late October to allow commencement of new bus network.
- **Pukekohe Station Upgrade Stage 2** - Completion of remainder of bus station with bus shelters, Park & Ride and rail station overbridge for pedestrians. The Stage 2 main works is planned to be awarded in December 2016 and targeted to complete by July 2017.

- **East West Bus Network** – Stage 1 works to be completed by December 2016. Completion of the detailed design and the beginning of construction for the Stage 2 Early Works is planned for early 2017. Detailed design for Stage 3 (remaining works) is planned to begin in late 2017. The construction of the Stage 3 Orly Ave and Thomas Rd cycle lanes is to be brought forward to early 2017.

## 5.Key deliverables

### Progress for Key Projects/Activities from Last Quarter

Key project/activity	Status	Comments
Electric Trains	In Closure	<ul style="list-style-type: none"> <li>• 12 electric trains received final contractual acceptance</li> <li>• Trial Customer LCD Screens fitted to train</li> </ul>
North West Transformation	On going	<ul style="list-style-type: none"> <li>• Fred Taylor berm works commenced</li> </ul>
Manukau Bus/Rail Interchange	On going	<ul style="list-style-type: none"> <li>• Tenders closed on 13 September 2016</li> <li>• Tender evaluation completed by end of September 2016</li> </ul>
Otahu Bus Interchange	On going	<ul style="list-style-type: none"> <li>• Completion of external landscaping and near-completion of drop off area and turnaround/layover area</li> <li>• Completion of structural elements of build</li> <li>• Fitout and CRL platform are well advanced</li> </ul>
PT Safety Security and Amenity	On going	<ul style="list-style-type: none"> <li>• Design and build of gating canopies put out to tender. Preliminary designs for Middlemore, Manurewa and Henderson approved by internal AT stakeholders.</li> </ul>
Pukekohe Station Upgrade	On-going	<ul style="list-style-type: none"> <li>• Detailed design for bus shelter submitted and under final review</li> <li>• Stage 1 works commenced onsite</li> </ul>
East West Bus Network (Early work packages)	On-going	<ul style="list-style-type: none"> <li>• Detailed design for the Stage 1 Early Works has been completed. Construction began mid-September, and will be completed by December 2016.</li> <li>• Detailed design for Stage 2 began in August</li> </ul>
Double Decker Buses	Ongoing	<ul style="list-style-type: none"> <li>• Investigation for Great North Route and Onewa Route ongoing</li> <li>• NZ Transport Agency funding application completed</li> <li>• Further Investigation and design for veranda modifications for Great North and Onewa Route completed</li> <li>• Scope confirmed for trees along for Great North and Onewa Route</li> <li>• Introduced double decker bus to Kaipatiki Local Board</li> </ul>
Takatu Road Seal Extension	Ongoing	<ul style="list-style-type: none"> <li>• Takatu Stage 1 construction completed</li> <li>• Takatu Stages 2 and 3 construction programmed to</li> </ul>

		begin November 2016 and completed 7th July 2017
Silver Hill Road Seal Extension	Ongoing	<ul style="list-style-type: none"> <li>Silver Hill construction package awarded in July 2016</li> </ul>
Monowai Road Seal Extension	Ongoing	<ul style="list-style-type: none"> <li>Preliminary design 90% complete</li> </ul>

### Planned Progress on Key Projects/Activities for Next Quarter

Key project/activity	Comments
Albany Highway Upgrade	<ul style="list-style-type: none"> <li>Corridor to be formally opened for the public on 14 October 2016</li> </ul>
North West Transformation	<ul style="list-style-type: none"> <li>Fred Taylor berm works to be completed in October 2016</li> </ul>
AMETI	<ul style="list-style-type: none"> <li>Notice of Requirement to be notified in October 2016</li> <li>Complete construction of carpark at 118 Mt Wellington Highway</li> <li>Continue Public Works Act process regarding acquisition of 430 Mt Wellington Highway</li> <li>Approve Stage 2B design and consenting procurement strategy</li> </ul>
Manukau Bus/Rail Interchange	<ul style="list-style-type: none"> <li>Contract award for construction on 7 October 2016</li> <li>Construction from October 2016 to February 2018</li> </ul>
Otahuhu Bus Interchange	<ul style="list-style-type: none"> <li>Commissioning of ICT elements (CCTV, wayfinding, etc.)</li> <li>Completion of CRL third platform</li> <li>Demolition of Walmsley Rd footbridge final element</li> <li>Opening on 29 October 2016</li> </ul>
PT Safety Security and Amenity	<ul style="list-style-type: none"> <li>Completion of gating canopy design, fire engineering solution, detailed design for Manurewa, Henderson and Middlemore</li> <li>Minor construction enabling works (service relocation, moving of electrical cabinets)</li> </ul>
Pukekohe Station Upgrade	<ul style="list-style-type: none"> <li>Complete Stage 1 construction for interim bus station and upgrade to road intersection. Commission traffic lights.</li> <li>Tender Stage 2 works for construction and award contract</li> <li>Receive resource consent approval for Stage 2 works</li> <li>Receive engineering planning approval for Stage 2 works</li> <li>Submit and receive building consent approval for Stage 2 works</li> <li>Commence works for Stage 2 scope</li> </ul>
East West Bus Network	<ul style="list-style-type: none"> <li>Complete Stage 1 construction in Mangere and Otahuhu by December 2016</li> </ul>
Double Decker Buses	<ul style="list-style-type: none"> <li>Veranda inspection and modifications for Great North and Onewa Route to continue</li> <li>Lodge resource consent and building consent applications for Great North and Onewa Route</li> </ul> <p>NZ Transport Agency funding application for Dominion Road Route</p>



## 6. Financial performance

The following criteria has been used to rate the financial performance for this report:

Key	Criteria
	Target met or exceeded (100%+)
	Target substantially achieved (97.5%-99.9%)
	Target not achieved (0%-97.4%)

\$'m	Budget to date	Actual	Variance	Comment	Full year budget
<b><u>Operational</u></b>					
Revenue/ External funding	117.7	122.5		<ul style="list-style-type: none"> <li>Higher NZ Transport Agency operating funding due to a one-off \$2.7 million of unbudgeted revenue. This relates to FY2015/16 admin subsidy, where AT was able to claim for administration and corporate overheads at a higher rate than planned.</li> <li>Full year revenue / external funding is expected to be below budget</li> </ul>	510.7
AC funding	65.0	65.0			260.2
Expenditure excluding depreciation, amortisation	181.9	179.5			765.5
Depreciation and amortisation	84.5	80.4			338.0
Gain (loss) on derivatives and disposal of assets	-	0.4			(0.8)

\$'m	Budget	Actual	Variance	Comment	Full year budget
<b><u>Capital</u></b>					

Expenditure excluding vested asset	147.9	142.7	●		764.6
Vested asset expenditure	25.4	40.3	●	Roading vested assets received from AC higher than expected.	101.5
Vested asset revenue	25.4	40.3	●	See explanation above.	101.5
AC funding – subsidy	110.2	110.9	●		548.0
External funding	37.7	31.8	●	Lower NZ Transport Agency funding as a result of lower capital expenditure.	216.6

## 7. Performance measures

The following criteria has been used to rate the performance for this report:

Key	Criteria
	Target exceeded (more than 2.5% above target)
	Target met (within +/- 2.5% of target)
	Target not met (more than 2.5% below target)

Performance measure	SOI Target	On track	Last actual	Date of last measure
<b>Strategic Theme - Prioritise rapid, high frequency public transport</b>				
1. Total public transport boardings (millions)	88.97		83.7	September 2016
2. Total rail boardings (millions)	19.5		17.4	September 2016
3. Boardings on rapid or frequent network (rail, busway, Frequent Transit Network - bus)	Increase at faster rate than total boardings		8.5% growth compared to 4.1% total boarding growth	September 2016
<b>Strategic Theme - Transform and elevate customer focus and experience</b>				
4. Public transport punctuality (weighted average across all modes)	93%		96%	September 2016
5. Customer satisfaction index: Public transport	84%		84%	September 2016
6. Customer satisfaction index: Road quality	70%		67%	September 2016
7. Customer satisfaction index: Footpath quality	65%		63%	September 2016
8. Customer satisfaction index: Road safety	60-65%		63%	September 2016
9. Local road deaths and serious injuries per 100 million vehicle kilometres travelled <sup>1</sup>	5		Annual measure	

Performance measure	SOI Target	On track	Last actual	Date of last measure
10. Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Reduce by at least 9 (End of year target: 528)		Jun 2016 12 month rolling total: 533	June 2016
11. Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames <sup>2</sup>	85%		88%	August 2016
<b>Strategic Theme - Build network optimisation and resilience</b>				
12. Arterial road productivity <sup>3</sup>	55% of the ideal achieved		59%	September 2016
<b>Travel times on key freight routes<sup>4</sup> (performance measures 13 to 22)</b>				
13. SEART (from Sylvia Park to East Tamaki) – East Bound	11		11	September 2016
14. SEART (from East Tamaki to Sylvia Park) – West Bound	12		10	September 2016
15. Wairau Rd (from SH1 to SH18) - West Bound	8		8	September 2016
16. Wairau Rd (from SH18 to SH1) - East Bound	8		9	September 2016
17. Harris Rd (from East Tamaki to SH1 Highbrook interchange) – West Bound	10		10	September 2016
18. Harris Rd (from SH1 Highbrook interchange to East Tamaki) – East Bound	11		11	September 2016
19. Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (SH20 to Walmsley) – East Bound	13		8	September 2016
20. Kaka St/James Fletcher	13		7	September

Performance measure	SOI Target	On track	Last actual	Date of last measure
Dr/Favona Rd/Walmsley Rd (Walmsley to SH20) – West Bound				2016
21. Great South Rd (SH1 Ellerslie Panmure Highway Interchange to Portage Rd) – South Bound	11		11	September 2016
22. Great South Rd (Portage Rd to SH1 Ellerslie Panmure Highway Interchange) – North Bound	11		12	September 2016
23. New cycleways added to regional cycle network (km)	16.4 km		YTD completion: 1.1 km	September 2016
24. Annual number of cycling trips in designated areas in Auckland (all day)	1.2 million		YTD completion: 358,048	September 2016
25. Annual cycle movements in the Auckland city centre	1,847,000		364,042	September 2016
26. Road maintenance standards (ride quality) as measured by Smooth Travel Exposure (STE) for all <b>urban</b> roads	82		Annual measure	
27. Road maintenance standards (ride quality) as measured by Smooth Travel Exposure (STE) for all <b>rural</b> roads	92		Annual measure	
28. Percentage of the sealed local road network that is resurfaced	8%		Annual measure	
29. Percentage of footpaths in acceptable condition (as defined in AT's AMP)	99%		Annual measure	
<b>Strategic Theme - Ensure a sustainable funding model</b>				
30. PT farebox recovery <sup>5</sup>	47-50%		49%	September 2016
<b>Strategic Theme - Develop creative, adaptive, innovative implementation</b>				

Performance measure	SOI Target	On track	Last actual	Date of last measure
31. Parking occupancy rates (peak four-hour, on-street) <sup>6</sup>	70%-90%		88.6%	September 2016
32. Number of car trips avoided through travel planning initiatives <sup>7</sup>	18,400		Annual measure	
33. Active and sustainable transport mode share at schools where the Travelwise programme is implemented	40%		Annual measure	
34. Active and sustainable transport mode share for morning peak commuters where the Commute programme is implemented	40%		Annual measure	

<sup>1</sup> The rate of local road deaths and serious injuries per 100 million vehicle kilometres travelled is an estimate exposure to crash-risk on the local road network.

<sup>2</sup> As defined in AT's customer service standards: two days for incident investigation as a high priority; three days for an incident investigation as a normal priority; one-hour emergency response time.

<sup>3</sup> Road productivity is a measure of the efficiency of the road in moving people during the peak hour. It is measured as the product of number of vehicles, their average journey speed and average vehicular occupancy. Key arterial routes include:

- Airport to CBD (via Manukau Road)
- St Lukes to St Johns (via Balmoral/Greenlane West/Greenlane East/Remuera Road)
- Albany to Birkenhead (via Glenfield Road)
- Henderson to CBD (via Great North Road)
- SH1 to Ti Rakau Drive (via Te Irirangi Drive)
- SH20 to Portage Road (via Tiverton/Wolverton Road)

<sup>4</sup> Maintain travel times for the 85<sup>th</sup> percentile of trips along each route.

<sup>5</sup> Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with Transport Agency guidelines.

<sup>6</sup> Four-hour peak period is defined as the top four busiest hours of the day. These hours are not often coincidental and can vary depending on contributing factors. On-street parking occupancy is surveyed once a quarter in three central city parking zone precincts: Shortland/High Streets, Karangahape Road and Wynyard Quarter.

<sup>7</sup> This measure considers the results achieved by AT's Travelwise for schools and commute programmes, and is calculated as follows:

- Travelwise – travel modes to school is tested among Travelwise schools annually via survey, and is compared to baseline results (excluding car/walk 400m+)

- Commute – calculation of the number of trips converted from drive-alone to other modes amongst Commute programme participants.

## 8. Contribution to Māori outcomes

AT is contributing to Te Toa Takitini AC's Māori transformational shift programme, designed to improve Māori wellbeing across Tāmaki Makaurau (Auckland). This includes giving effect to kaitiakitanga, marae development and papakainga development in Whai Tiaki (cultural wellbeing). Contributions are also being made to Whai Painga (social wellbeing) including the road safety programme and the Māori Wardens.

AT's SOI 2016/17-2018/19 demonstrates its commitment to Māori responsiveness. AT will continue to engage with mana whenua on major transport infrastructure projects using Te Aranga Māori urban design principles, including te reo Māori and signage, and utilising AT's Māori Engagement Framework (which includes Māori Value assessments) across the following activity classes.

Activity classes	Jul-Sep 2016 Spend \$	How it contributes to Māori outcomes / Progress
<b>Roads and footpaths</b>		
<b>AMETI</b>	34,400	<p>AT has received notification of a section 92 request for the Stage 2 resource consent application. Documentation has been updated and is to be re-lodged with Auckland Council.</p> <p>Mana whenua have a second signage opportunity at Van Dammes Lagoon. Ngai Tai concluded cultural monitoring at Van Dammes construction.</p> <p>Mitigation discussions with Ngāti Paoa are continuing over Mokoia Pa.</p> <p>Design and preliminary components for Stage 2A to commence with a mapping exercise with mana whenua using Te Aranga Māori Design framework. Engagement discussions on next phases (2B) commenced with mana whenua.</p> <p>Māori Value Assessments (MVAs) provided by iwi for Sylvia Park and Pakuranga to Botany projects.</p>
<b>Roads and Footpaths (general)</b>	13,300	<p>Ongoing engagement has occurred with mana whenua on the Tāmaki Drive and Ngapipi Road intersection upgrade. This includes discussions on reclamation and mitigation measures. Ngāti Whātua o Ōrākei and Ngai Tai have submitted MVAs which the project will respond to.</p> <p>Engagement has also occurred on other projects such as seal extensions and Murphy's Road and Birkenhead Main Street upgrade.</p>
<b>Glenvar Ridge Road</b>	5,900	<p>Mana whenua suggested Māori names for the new road at Long Bay. This included Te Ara Piki Kaka Road, Maramatanga Road and Hiringa Huanui Road. Following assessment against the road naming criteria, and engagement with the community and the Hibiscus and Bays Local Board, Glenvar Ridge Road was chosen by the Board as the new road name.</p>

Activity classes	Jul-Sep 2016 Spend \$	How it contributes to Māori outcomes / Progress
		A Ngāti Maru artist has been chosen to design the pou for the roundabout and retaining wall design.
<b>Walking &amp; Cycling</b>	9,500	<p>Consent conditions for Glen Innes to Tāmaki Drive shared path were discussed with mana whenua including accidental discovery protocols, mana whenua engagement process, and cultural monitoring. Mana whenua collective agreed to the appointment of a Ngai Tai artist to lead Te Aranga design for the pathway. Project is considering the use of the regional signage tohu (Unaunahi) for wayfinding and signage interpretation.</p> <p>New Lynn to Waterview a Māori arborist to be selected to assist in plant species selection.</p> <p>Ngai Tai artist to develop content for the Whau River Shared Path Bridge interpretative signage. Nominations for interpretative signage including narrative on Waitakere Ranges and Māori names for the Whau River shared path to be considered by mana whenua collective.</p> <p>The Walking &amp; Cycling programme was the subject of several hui with mana whenua. Engagement on small cycleway projects including Quay Street, Glover Road and Ian McKinnon Drive.</p>
<b>Public Transport/ Other Public Transport</b>		
<b>City Rail Link</b>	25,100	<p>The City Rail Link was awarded an Infrastructure Sustainability (IS) Design rating by the Infrastructure Sustainability Council of Australia (ISCA). The rating is for the design and construction planning for the Albert Street tunnels and stormwater diversion.</p> <p>The process CRL undertook to engage with mana whenua to embed cultural values into an industry recognised sustainability framework was acknowledged as a 'world first' innovation.</p>
<b>Ōtāhuhu Station</b>	3,500	<p>Engagement with mana whenua on finalising Te Aranga Māori design construction elements.</p> <p>Work has begun on a video of Te Aranga Māori design in the Ōtāhuhu Station to be displayed in the station interior for passengers. Alignment with Ōtāhuhu engagement outcomes for station design and shelters in the vicinity of the Ōtāhuhu town centre.</p>
<b>Māori Wardens</b>	100,900	Māori Wardens provide a customer service role on some train services particularly in the evenings, and for special events. This is met through a contract between AT and TransDev
<b>Public Transport</b>	2,900	Expression of Interest for Te Aranga Māori Urban Design lead for Half Moon Bay completed in July, mana whenua

Activity classes	Jul-Sep 2016 Spend \$	How it contributes to Māori outcomes / Progress
		collective endorsed a Ngai Tai designer to complete these works.

Activity classes	Jul-Sep 2016 Spend \$	How it contributes to Māori outcomes / Progress
<b>Other</b>		
<b>Road Safety and Community Transport</b>	9,500	AT has been developing a strategic road safety programme to reduce the high level of Māori road deaths in the Auckland region. This programme of work is AT's contribution to Te Toa Takitini (Māori Transformational Shift), Whai Painga (social domain) from AC.  Dual language videos on drivers licensing aimed at rangatahi Māori, were developed and released in July. YouTube videos were viewed 575,000 times and the organic reach on Facebook totalled nearly 500,000 impressions. As a result of the videos, marae based learners licensing courses for rangatahi were held at Tahuna, Hoani Waititi and Manurewa marae with 36 completing the course. The cost of sitting licenses has been identified as a barrier to obtaining a license. A Māori FTE has also been appointed to develop and lead the Māori Road Safety Programme with mana whenua, mataawaka and the Māori community.
<b>Communications</b>	16,400	A draft Māori Responsiveness Project Plan was developed for AT. Work initiated on a AT best practice Māori Engagement video.  Ngāti Te Ata musicians performed on the trains during Māoi Music month in August.
<b>Other</b>	5,200	The Transport for Future Urban Growth (TFUG) project has been engaging on a regional basis with mana whenua since early 2016, to determine decision-making criteria for mana whenua values and long and short list options in growth areas throughout Auckland.
<b>TOTAL</b>	<b>\$226,600</b>	

## 9. Key Local Board issues

Prior to the elections there was a high volume of requests for information from elected members. An induction pack for new/returning members, featuring background information on AT and its activities, key contacts and capital for each area (North, South, West, Central) have been prepared and will be circulated in various fora, including workshops.

## 10. Risk Management

### Progress on current internal and external audit issues

#### Internal audit

Risk and Audit has recently undertaken a risk profiling exercise with senior management. The intention of this exercise was to refresh its understanding of key risks across a number of areas, including for example, strategy, business processes, technology and cyber, and health and safety. Risk and Audit will undertake a similar exercise with the AT Finance and Risk Committee. The results of these discussions will be used to review and update AT's internal audit plan. Senior management has also incorporated regular risk discussions into its leadership meetings to ensure it reviews AT's key risks on a periodic basis.

The audit topics contained within the 2016/2017 are currently being carried out as planned. A number of special investigations (i.e. unplanned work) are also in progress or have been completed. It is expected that an updated internal audit plan will be provided to the Audit and Risk Committee, focussing on agreed high risk areas identified in the risk profiling discussions.

#### External audit

The summary of audit findings presented by Audit NZ in the interim audit and review engagement report to the Board, raised four recommendations. This is two recommendations less than the six recommendations from the previous year. Of the four recommendations, three are considered necessary and one beneficial. There were no new material items brought to the attention of the Board.

The following issues were highlighted to the Board by Audit NZ:

- Sensitive expenditure
- Asset capitalisation
- Supplier masterfile
- Contract management

For all four items above, either Audit NZ's recommendation has been actioned, or management have confirmed mitigating risk factors in place for the item raised. Of the ten recommendations from the prior year, one has been resolved with Audit NZ, five require Audit NZ testing of management process changes and improvements (will be completed as part of the year end audit and reported in the final management report). Of the remaining four, one the FRC and management consider the current policy is adequate, one is part of a project to find a practical solution, and the remaining two have been implemented.

#### Group financial impacts

AT is unaware of any financial impacts that would affect the group. No changes have been made in the quarter (i.e. 30 September 2016 quarter) to the approaches taken to risk management, internal audit, or external audit.