

# Auckland Transport Quarterly Report

Quarter ended 31 December 2016

CCO Governance and Monitoring Committee



## ***AT Metro launches Child Weekend Fares***

*99 cent weekend fares for children 5 to 15 travelling on an AT HOP card*

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# 1. Executive summary

## Key Achievements for the Quarter

Auckland Transport (AT) has had a successful quarter 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 second quarter were:

- New Network went live in South Auckland under the PTOM (Public Transport Operating Model) contract model. The New Network is a complete transformation of Auckland's public transport network. It fundamentally changes the way bus services operate across Auckland.
- Ōtāhuhu Bus Interchange was opened to the public. This coincided with the start of the New Network in South Auckland. South Aucklanders can look forward to seeing more buses on the road and at better frequencies than before. Public transport patronage at Ōtāhuhu Station has increased by 9% in the past 12 months with a total of 117,000 passengers using the station to board trains in the year to August 2016.
- Albany Highway North upgrade was opened to the public. A key route on the North Shore, finishing six months ahead of schedule and on budget. The upgrade improves safety significantly, encourages the use of public transport as well as cycling and walking alternatives. These improvements will be of great benefit to the local community, and in particular the 5,000 children who go to school in the area.
- Mt Roskill Safe Route was opened to the public. This is a new cycling and walking route connecting Mt Roskill with the Manukau Harbour. It will provide greater travel options for locals.
- Section one of Glen Innes to Tamaki Drive Shared Path - Te Ara Ki Uta Ki Tai (the path of the land and sea) was opened to the public. The path is along the scenic route through the heart of East Auckland that will make it easier and safer to get around by bike and foot.
- Mission Bay street upgrade. AT has partnered with the Orākei Local Board and the Mission Bay business community for a street and footpath upgrade (Streetscape) just in time for summer.
- Pukekohe Station upgrade work commenced. The upgrade will make it easier for people in Pukekohe and the surrounding areas to connect between high frequency trains and buses with a new, fully integrated bus and train interchange.
- Overall satisfaction with public transport services (86%) for the 12 months to December 2016 is up 3% compared to the same period last year. Train has the biggest increase with 89.6% satisfaction (up 6.3% compared to last year). High performing attributes with strong influence in train's overall satisfaction increase include comfort and safety during trip, the ease of getting on/off the train, the vehicle overall and friendliness and helpfulness of the staff.
- Auckland ferries reached a major milestone. Reaching six million passenger trips for the 12-months to November 2016, which has not been achieved since the Auckland Harbour Bridge opened in 1959.
- AT Metro launched 99 cent Child Weekend Fares. It's much easier and cheaper to get around Auckland at the weekend. AT encourages young people getting out and about on the weekend and using public transport with their parents or guardians.

- School bus information was made available on AT's public information system. Teachers, parents and students can now view progress of the next arriving school bus at stops with passenger information displays, look up their school buses in Journey Planner or use Track my Bus to monitor its arrival.

## Financial Performance

Deficit from operations (excludes funding for capital items) was \$148.2 million, \$12.9 million favourable to budget. Full year deficit is expected to be in line with budget. Full year revenue from public transport and infringements is expected to be behind budget by the end of the year. However, this will be offset by higher than budgeted Transport Agency operating funding and revenue from other sources such as rental income.

Capital expenditure excluding vested assets was \$305.7 million against a budget of \$339.7 million. Forecasted full year capital spend is \$737 million, \$27 million lower than budget. This represents delivery of 96.5% of the funded programme. The major item within the budget shortfall relates to the Special Housing Areas programme which reported a \$30 million deferral due to delays with the Regional Growth Fund decisions.

Capital funding from both AC and the NZ Transport Agency is below budget due to the year to date underspend. Although the full year capital spend is expected to be lower than budget, a funding shortfall for core projects (non-ring fenced projects) amounting to \$41 million exists. AT is exploring options to address this shortfall with the Transport Agency.

## Non-Financial Performance

There are 34 non-financial performance measures covered by the Statement of Intent (SOI). Of the 34, 6 are **on target to exceed** the performance measure, 12 are **on target to meet** the performance measure, 8 are **not on target to meet** the performance measure, and 8 are annual measures.

Highlights in terms of performance are:

- 88% of customer service requests relating to roads and footpaths received a response within AT's specified timeframes (Target: 85%)
- The number of cycling trips in designated areas in Auckland from July to November 2016 is exceeding expectation (54% of the annual target has been achieved in the first five months)
- Arterial road productivity is above target (12 months rolling average of 59% compared to target of 55%)

Performance not on target to meet performance measures are:

- Residents satisfaction with the quality of roads and footpaths in the Auckland region. Residents satisfaction for the 12 months to December 2016 has decreased by 3% compared to same period last year. While technical measures of footpath condition are satisfactory public perception is driven by other factors. Lower resident satisfaction with the quality of roads is affected by the disruptions caused by some construction happening around Auckland (e.g. Watercare's Hunua 4 programme is causing disruptions around the One Tree Hill area and towards Mt Roskill, CRL project, works associated with SH20, Point Chevalier interchange and remodelling of SH16 near St Lukes). Lower resident satisfaction with the quality of footpaths is impacted by the ultra fast broadband project and general development works when footpaths are closed off or restricted. AT is actively monitoring and rectifying disruption on these sites and seeking alternative arrangements, in the case of footpaths where practical.
- Travel times on five key routes are not on target to meet performance measures. The travel times were impacted by intersection signal loop faults (which have now

been repaired) and congestion in the shoulder peaks. Signal optimisation has been undertaken and a local network review will also be conducted to investigate further improvements on the routes.

- Annual cycle movements in the Auckland city centre. Cycle movement growth is curtailed due to the delivery of the network being behind schedule in particular, the outer city loop is not yet completed. This is now forecast to be completed in June 2017 and is expected to have a positive effect on cycle movements. New cycleways are proving popular.

### **Risk Management**

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 Auckland Council Group, other than macro issues such as 'congestion levels'. These will require a long term focus if measurable improvement is expected in this KPI. ATAP is a significant step in addressing this, once funded.

## 2. Strategic issues and focus areas

In line with our strategic themes, AT has progressed the following projects over the quarter to 31 December 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 Council and Central Government have signed a “Heads of Agreement” committing to enter into a process to fund and govern the project throughout the remainder of the project lifecycle. The result of this will be the project being delivered via a special purpose vehicle known as “City Rail Link Limited” (CRL). AC and the Government have appointed Sir. Brian Roche as the establishment chair of CRL. Work is underway on the Precinct Downtown site and up Albert Street and the new entrance way to Britomart Station was completed over Christmas. Procurement documentation is ready for the stations eight tunnels prequalification., the Mt Eden site request for tender and the tunnel expression of interest.
- **Electric Trains** – All 57 electric trains have now achieved contract final acceptance and the Fleet Acceptance Certificate has been issued to the supplier. Final acceptance is confirmed once each unit has travelled 30,000km on the Auckland network.
- **AMETI** – The AMETI programme is progressing towards the revised target completion date of 2025 (busway fully operational) following approval of a joint Transport Agency/AT/AC delivery strategy and confirmation of priority (but not funding) through the Auckland Transport Alignment Project. Significant progress has been made in regards to a mitigation agreement with Nagti Paoa to provide access and support for the construction of the Panmure to Pakuranga Busway.
- **North West Transformation** – Auckland Council is preparing a Whenuapai structure plan in consultation with the TFUG (Transport for Future Urban Growth) 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.
- **Ōtāhuhu Bus/Rail Interchange** – Main works were completed for a public opening on 31 October. There has been a significant increase in usage since opening. The addition of electronic ticket gates separating the rail platforms will happen in April 2017 following arrival of the gates from Europe.
- **Manukau Bus/Rail Interchange** – The construction tender was awarded to NZ Strong. Construction works are progressing well and to schedule, with civil and piling works predominating. This new interchange is needed to ensure that the AT Metro New Network operates effectively and to provide seamless interchange between bus to bus and bus to rail.

- **Public Transport Safety Security and Amenity** – Ticket gating of six stations is currently in the design phase. Stations to be gated are Henderson, Manurewa, Middlemore, Papatoetoe, Glen Innes and Papakura. Gating of most of these stations will be complete by end this financial year dependant on the delivery of the gates which, are expected to arrive in May 2017.
- **Walking & Cycling major projects**
  - **Glen Innes/Tamaki Shared Path** – Section 1 from Merton Road to St Johns Road was completed in December 2016. The official opening date was 9 December 2016 with attendance by the Transport Minister and the Mayor. Section 2 alignment is confirmed with structure design for the rail bridges and retaining walls commenced. The construction of Section 3 has commenced.
  - **Mt Roskill Cycle Route** – Construction was completed on 9 November 2016 and officially opened by the Transport Minister and the Mayor on 23 November 2016. The opening ceremony was held at the Mount Roskill War Memorial Park, Mt Roskill. The project was completed four weeks ahead of schedule and on budget.
  - **Waterview Shared Path** – The detailed design for the major structures and retaining walls have been completed. The project will open in three stages projected for end February and early May 2017.
  - **K-Road Cycle Route** – The public consultation period closed on 20 November 2016; approximately 1600 submissions are being analysed.
- **Travel planning initiatives**
  - **Travelwise and Safer Communities** – AT promoted safe walking and cycling through school crossing trainings, park and walk events, promotions at assembly, student-led events and road-safety focused promotions such as Slow Down Around Schools events. To foster new travel habits, a new initiative promoted mode shift over a one to two week period through stickers and the opportunity to win a lunch or iceblock reward. Six schools utilised the active rewards cards to promote and reward sustained behaviour change this quarter.  
  
Teachers and student leaders play a key role in designing, promoting and supporting road safety initiatives as part of Auckland Transport's Travelwise programme. Of the 300 Auckland schools in the Travelwise programme, 62 were awarded gold, 73 silver and 96 bronze at the annual celebration event. 441 students accompanied by 118 adults from 72 schools attended the celebration event. Phil Goff, David Warburton and other AT staff were there to help encourage and support student and teachers in their work towards road safety and active transport. The event had the support of the Maritime Museum, Panuku Development Auckland, KiwiRail and the NZ Police School Community Officers.
  - **Rural schools** – This quarter has focused on continuing to build engagement for the rural schools programme. A number of training sessions about safe walking and bus safety on rural roads were held. A key promotional event for the programme was the Wellsford school Agricultural day. A Big Rig truck was booked to attend the day in order to highlight blind spots and give people a first-hand experience of what can be seen from the driver's seat of a large truck. Information about child restraints were also provided to people attending the day.
  - **Workplaces and Tertiary** – The Travelwise Choices programme continued engaging with new and existing organisations to reduce single occupancy

vehicle (SOV) use. Thirty events across the Auckland region were held which engaged over 1500 people. The focus was mainly on central city workplaces and the Waitemata and Counties Manukau District Health Boards.

- **Route optimisation**

- Active monitoring and traffic signal optimisation of the city centre network has been carried out via ATOC Central. A continuous monitoring approach has been adopted meaning AT now monitors and optimises the whole city centre network each month rather than targeting specific areas each quarter. The network performance measures still indicate that all the key elements of the transport network remain within the acceptable levels despite the extensive construction works underway. Particular emphasis was given during the December period catering for the high pedestrian demands during holiday seasons.
- Traffic signal network monitoring has taken place from ATOC Smales, with particular focus on the monitoring and optimising of the key corridors. A significant focus has also been apportioned to fixing issues with faulty vehicle detector loops, which has surfaced as an issue over the current and last quarter. Faulty detector loops reduce the intelligence of AT's traffic signals rendering them far less efficient.
- The Whangaparaoa Road Dynamic Lane project is on track for implementation in 2017. The AT working group and the Transport Agency have agreed a layout for the dynamic lanes after analysing a number of potential options and the working group is now progressing with consultation and preparation for detail design and procurement.
- Work has continued on the Queenstown Road roundabout metering project, which aims to ease congestion for southbound traffic on Queenstown Road. Priority has been given to this project as it is a key part of the primary CBD to airport route. Consultation is now complete and design finalised. AT has been working closely with the Transport Agency and AMA to coordinate the physical construction works. Completion of construction is anticipated in February.

- **Health and Safety**

- A critical risk and hazard management programme is underway. AT's most critical risks, called our Top Line Risks, have been agreed to twelve risks. A pilot Bowtie/Control Plan was developed on the subject of violence.
- AT achieved tertiary status on the Workplace Safety Management Practices audit conducted in October.
- Customer Services hand-book: AT Metro have developed a handbook for their customer service centre staff. The handbook contains a large amount of health and safety information required for the staff to carry out their roles. This includes dealing with emergencies, security and dealing with violence or abuse.

- **Key People Deliverables**

- **People pulse survey** – AT completed the second quarterly pulse engagement survey for staff in October with 864 respondents. While the survey results showed that the overall level of engagement decreased slightly in October (52% to 51%), we are still within the 'Moderate' zone of Aon Hewitt's engagement benchmark.



- **Authentic leadership programme** – 18 participants went through the Authentic leadership programme which finished on the first week of December with presentations to the participants' Executive Leadership Team. Participants feedback was that this course was very insightful and have given them an altered view of themselves, the way they operate and what it means to be an authentic leader. We are already seeing leaders at Auckland Transport using their discoveries and insights to perform better.

### 3. Highlights for the last quarter

- **New Network in South Auckland** – AT rolled out the Southern New Network on Sunday 30 October 2016. This means new bus routes, new bus numbers, new timetables and new information at bus stops. Some people will need to connect with another bus or train to complete their journey. Benefits of the New Network include:
  - **Simpler** – a simpler network makes public transport a more attractive and easier option for a wider range of activities, as well as new or one-off trips.
  - **Frequent** – more buses are running more frequently throughout the day, 7am – 7pm, 7 days a week. Buses are operating outside the hours 7am to 7pm, but at reduced frequencies.
  - **Choice** – with new Simple Fares introduced in August, public transport users are able to take advantage of connecting to more destinations.
- **Public Transport**
  - Bus capacity was increased on central corridors
  - Rail capacity was increased. Reduced dwell times at Papakura has released an additional three-car unit for peak services.
- **Ōtāhuhu Bus Interchange** – Auckland's newest transport centre at Ōtāhuhu Station opened on 29 October 2016. The station is at the heart of the Southern New Network. Features of the new interchange include:
  - high quality, modern facility, with architecture reflecting local and historical narratives
  - covered bus platforms for passengers moving between bus and train services
  - improved facilities and access for cyclists and pedestrians
  - clear, safe separation of buses, trains, pedestrians, cyclists and other vehicles.
- **Albany Highway North upgrade** – This is a key route on the North Shore. The work includes the widening of the highway to four lanes – two for general traffic and two T2 transit lanes for buses and vehicles carrying two or more people. The transit lanes will make using public transport a more attractive prospect, particularly for students and commuters, by improving morning and afternoon peak travel times.
 

Pedestrians and cyclists can now enjoy on and off road cycle facilities and a wider footpath in both directions. Segregated pedestrian footpaths and cycle paths have been constructed where practicable, with a shared path otherwise provided. It is hoped that these additions will make cycling and walking a more attractive and safer prospect for local residents, students and commuters who use the highway each day.
- **Mt Roskill Safe Route** – This is a new cycling and walking route connecting Mt Roskill with the Manukau Harbour and will provide greater travel options for locals. It includes shared paths for people to walk or cycle on, signalised crossings and traffic calming measures such as speed tables. The route is part of a growing network of

cycleways throughout Auckland and part of the Puketapapa Local Board Greenways initiative. It connects with the shared path that runs along State Highway 20 to key employment areas in Onehunga and the airport.

- **Managing Auckland's infrastructure** – 180kms of road resealing, 11kms of rehabilitation and 40kms of footpath renewals have been completed this year.
- **Paying for Parking** – An AT Park phone app was successfully trialled
- **Sustainability** – A sustainability framework was agreed and followed up with work on EV charging infrastructure and energy savings

## 4. Future outlook

- Housing Infrastructure Fund – Indicative funding applications will be considered by the Crown. Work will continue to ensure AT and AC optimise Government funding for these key infrastructure projects.
- Rail Network – Trials of the Customer Information LCD screens are continuing; a proof of concept report has been prepared for circulation and quotations received for an upgrade of the screens to 21 inch together with re-orientation.
- CRL – Tendering will begin on significant contracts. Britomart Station will open the new eastern entrance. Work will continue on existing Albert Street and Downtown sites.
- AMETI - Notice of Requirement (NOR) will be notified for Stage 2A (busway between Panmure and Pakuranga) with accompanying public open days. Design, consenting and property acquisition activities for future stages. Completion of scheme assessment updates for Stage 2B (Pakuranga to Botany including Reeves Road) and procurement for the following design and consenting stages.
- Manukau Bus/Rail Interchange – Continuation of construction. AT is anticipating the main works complete by end February 2018, which will be followed by IT-focussed fitout of the facility. The new station is expected to be open to the public in mid-2018.
- Public Transport Safety Security & Amenity – Design continuation for Henderson, Middlemore, Manurewa, Papatoetoe and Papakura stations. Glen Innes station meetings with Local Board and other stakeholders to discuss the gating project and opportunities for related access enhancements.
- Pukekohe Station Upgrade Stage 1 – Defects list (Snagging) works to be completed and defects period commenced. Pukekohe Station Upgrade Stage 2 - Tender for remaining works and award. Completion of interchange by late 2017.
- East West Bus Network – Stage 1 works on Avenue Road to be completed by February 2017. Completion of the detailed design and the beginning of construction for the Stage 2 Early Works is planned for mid-2017. Detailed design for Stage 3 Remaining works is planned to begin in late 2017. The construction of the Stage 3 Orly Ave & Thomas Rd cycle lanes is to be brought forward to early 2017.
- Consultation over Pt Chevalier/Herne Bay cycleway, Tamaki Drive, Karangahape Road upgrade and the Quay Street cycleway extension
- Support for World Masters Games

## 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>The trial Customer LCD Screens are fitted.</li> </ul>
AMETI Stage 2A	Ongoing	<ul style="list-style-type: none"> <li>Notice of Requirement lodged, to be notified by March 2017.</li> </ul>
AMETI Stage 2B	Ongoing	<ul style="list-style-type: none"> <li>Procurement of design and consenting stages underway, tender to be advertised second quarter of 2017.</li> </ul>
Manukau Bus/Rail Interchange	Ongoing	<ul style="list-style-type: none"> <li>Award of the main construction contract to NZ Strong in October 2016.</li> <li>Construction underway and progressing to schedule.</li> </ul>
Pukekohe Station Upgrade	Ongoing	<ul style="list-style-type: none"> <li>Tender plan for remaining works to be approved and tender issued.</li> <li>Final building consent for stage 2 works to be processed.</li> <li>Stage 1 works completed and opened for operational use.</li> <li>Stage 2 piling works commenced onsite successfully utilising Christmas rail block of line.</li> </ul>
East West Bus Network (Early work packages)	Ongoing	<ul style="list-style-type: none"> <li>Detailed design for the Stage 1 Early Works has been completed.</li> <li>Construction began mid-September, and will be completed by February 2017</li> </ul>
Double Decker Buses (Dominion Road)	Ongoing	<ul style="list-style-type: none"> <li>Budget was approved in October 2016.</li> <li>Initial workshop with Dominion Road Upgrade Team and MRT team to define clear scope of work completed.</li> <li>Analysis and scoping done.</li> </ul>
Double Decker Buses	Ongoing	<ul style="list-style-type: none"> <li>Scope confirmed for trees along for Great North and Onewa Route.</li> <li>Introduced double decker bus to Kaipatiki Local Board.</li> <li>Lodged resource consent and building consent applications for Onewa Route.</li> <li>Veranda inspection for Onewa Route completed.</li> </ul>
Takatu Road Seal Extension	Ongoing	<ul style="list-style-type: none"> <li>Takatu Stage 1 construction completed.</li> <li>Takatu Stages 2 &amp; 3 construction programmed to begin November 2016 and completed 7th July 2017.</li> </ul>
Silver Hill Road Seal Extension	Ongoing	<ul style="list-style-type: none"> <li>Silver Hill construction completed December 2016.</li> </ul>




Monowai Road Seal Extension	Ongoing	<ul style="list-style-type: none"> <li>Monowai design 53% complete.</li> </ul>
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### Planned Progress on Key Projects/Activities for Next Quarter

Key project/activity	Comments
CRL	<ul style="list-style-type: none"> <li>Release of Expressions of Interest for Linewide systems contract.</li> <li>Construction Commencing in CPO to establish CRL tunnels.</li> </ul>
AMETI Stage 2A	<ul style="list-style-type: none"> <li>Notice of Requirement to be notified with public open days and communications.</li> </ul>
AMETI Stage 2B	<ul style="list-style-type: none"> <li>Approve scheme updates, finalise tender documentation for design and consenting stage.</li> </ul>
AMETI Sylvia Park	<ul style="list-style-type: none"> <li>Approve revised scheme, commence preliminary and detailed design.</li> </ul>
Manukau Bus/Rail Interchange	<ul style="list-style-type: none"> <li>Continuation of predominantly civil works (piling, sand drains, foundations, etc.) and procurement of long-lead structural items in preparation to beginning the construction of the building/structural elements.</li> <li>Main works construction continuing until end February 2018, to be followed by IT fitout of the facility.</li> </ul>
PT Safety Security & Amenity	<ul style="list-style-type: none"> <li>Completion of gating canopy design. Minor construction enabling works (service relocation, moving of electrical cabinets).</li> </ul>
Pukekohe Station Upgrade	<ul style="list-style-type: none"> <li>Complete snagging for stage 1 works. Defects period continues.</li> <li>Tender and award remainder of stage 2 works.</li> <li>Receive building consent for remainder of stage 2 works.</li> <li>Start works onsite for park and ride and bus station.</li> </ul>
East West Bus Network (Early work packages)	<ul style="list-style-type: none"> <li>Complete Stage 1 construction in Mangere and Otahuhu by February.</li> <li>Complete Stage 2 detailed design by early 2017.</li> <li>Begin Stage 2 construction in mid-2017.</li> <li>Construction of Orly Ave &amp; Thomas Rd cycle lanes to begin early 2017.</li> </ul>
Double Decker Buses (Dominion Road)	<ul style="list-style-type: none"> <li>Design workshop with Dom Road Upgrade Team and MRT Team once preliminary design is finalised.</li> <li>Reinvestigate veranda conditions along the route.</li> <li>Transport Agency funding application</li> </ul>
Double Decker Buses	<ul style="list-style-type: none"> <li>Optioneering exercise and gain endorsement from project sponsors for Great North Route. Also lodge resource and building consents for this route.</li> <li>To undertake veranda modifications and tree pruning followed by a trial run for Onewa Route</li> <li>To confirm scope for Karangahape Road along Great North Route.</li> </ul>
Monowai Road Seal Extension	<ul style="list-style-type: none"> <li>Monowai preliminary and detailed design to be completed March 2017.</li> </ul>






## 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	249.2	251.7		<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> </ul>	510.7
AC funding	130.1	130.1			260.2
Expenditure excluding depreciation, amortisation	371.4	368.7			765.5
Depreciation and amortisation	169.0	161.3			338.0
Gain (loss) on derivatives and disposal of assets	-	1.8			(0.8)









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











Expenditure excluding vested asset	339.7	305.7		<p>Underspend mainly due to:</p> <ul style="list-style-type: none"> <li>• Special Housing Areas programme below budget as a result of delays of Regional Growth Fund decisions</li> <li>• Local Board Initiatives projects as a result of delays in obtaining consents and change of project scope</li> </ul> <p>This underspend is partly offset by higher than budget spend in CRL due to accelerated construction works.</p>	764.6
Vested asset expenditure	50.8	62.4		Roading vested assets received from AC higher than expected.	101.5
Vested asset revenue	50.8	62.4		See explanation above.	101.5
AC funding – subsidy	242.4	224.8		Lower AC funding as a result of lower capital expenditure.	548.0
External funding	97.3	80.9		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
	On target to exceed performance measure (more than 2.5% above target)
	On target to meet performance measure (within +/- 2.5% of target)
	Not on target to meet performance measure (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		84.7	December 2016
2. Total rail boardings (millions)	19.5		18.1	December 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 3.9% total boarding growth	December 2016
<b>Strategic Theme - Transform and elevate customer focus and experience</b>				
4. Public transport punctuality (weighted average across all modes)	93%		YTD average: 95.1%	December 2016
5. Customer satisfaction index: Public transport	84%		December result: 86%	December 2016
6. Customer satisfaction index: Road quality	70%		December result: 66%	December 2016
7. Customer satisfaction index: Footpath quality	65%		December result: 61%	December 2016
8. Customer satisfaction index: Road safety	60-65%		December result: 66%	December 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)		12 month rolling total to July 2016: 533	July 2016
11. Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames <sup>2</sup>	85%		12 month rolling average: 88%	October 2016
<b>Strategic Theme - Build network optimisation and resilience</b>				
12. Arterial road productivity <sup>3</sup>	55% of the ideal achieved		12 month rolling average: 59%	November 2016
<b>Travel times (in minutes) on key freight routes<sup>4</sup> (performance measures 13 to 22)</b>				
13. SEART (from Sylvia Park to East Tamaki) – East Bound	11		13	November 2016
14. SEART (from East Tamaki to Sylvia Park) – West Bound	12		10	November 2016
15. Wairau Rd (from SH1 to SH18) - West Bound	8		8	November 2016
16. Wairau Rd (from SH18 to SH1) - East Bound	8		9	November 2016
17. Harris Rd (from East Tamaki to SH1 Highbrook interchange) – West Bound	10		10	November 2016
18. Harris Rd (from SH1 Highbrook interchange to East Tamaki) – East Bound	11		12	November 2016
19. Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (SH20 to Walmsley) – East Bound	13		8	November 2016



Performance measure	SOI Target	On track	Last actual	Date of last measure
20. Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (Walmsley to SH20) – West Bound	13		7	November 2016
21. Great South Rd (SH1 Ellerslie Panmure Highway Interchange to Portage Rd) – South Bound	11		12	November 2016
22. Great South Rd (Portage Rd to SH1 Ellerslie Panmure Highway Interchange) – North Bound	11		12	November 2016
23. New cycleways added to regional cycle network (km)	16.4 km		YTD completion: 5.2 km	December 2016
24. Annual number of cycling trips in designated areas in Auckland (all day)	1.2 million		YTD completion: 648,509	November 2016
25. Annual cycle movements in the Auckland city centre	1,847,000		YTD completion: 655,527	November 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%		November result: 47.8%	November 2016

Performance measure	SOI Target	On track	Last actual	Date of last measure
<b>Strategic Theme - Develop creative, adaptive, innovative implementation</b>				
31. Parking occupancy rates (peak four-hour, on-street) <sup>6</sup>	70%-90%		November 12 month rolling average: 86.8%	November 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 (MVAs)) across the following activity classes.

Activity classes	Jul-Dec 2016 Spend \$	How it contributes to Māori outcomes / Progress
<b>Roads and footpaths</b>		
<b>AMETI</b>	37,700	Unveiling of mana whenua signs at Te Waipuna a Rangiatea (Van Dammes Lagoon) in December. Stage 2A documentation prepared for geotechnical authority conditions in preparation for exploratory works. A cultural heritage and archaeological management plan is being prepared. Two mana whenua representatives involved in Stage 2B multi criteria assessment workshops.
<b>Roads and Footpaths (general)</b>	14,200	<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. Next step is for the project to provide a response to issues raised in the MVAs.</p> <p>Engagement has also occurred on other projects such as Monowai and Takitu road seal extensions, Murphy's Road and Birkenhead Main Street upgrade.</p> <p>Hingaia/Papaia are legacy projects and engagement has recently commenced with mana whenua, who have identified and reconfirmed their interest. Present focus is input into stormwater design including rain garden.</p> <p>Ōtāhuhu Streetscape upgrade has commenced, and a site visit undertaken with 4 mana whenua groups. Mana whenua expressed theme consistency to reflect other projects in the Ōtāhuhu area. Recent discussions with mana whenua on the approval process for selecting iwi design input and artist/s.</p>

Activity classes	Jul-Dec 2016 Spend \$	How it contributes to Māori outcomes / Progress
<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> <p>A Ngāti Maru artist has been chosen to design the pou for the roundabout and retaining wall design.</p>
<b>Walking &amp; Cycling</b>	13,400	<p>Regular hui are being held with mana whenua for Glen Innes to Tāmaki Drive. Opening ceremony was held for section 1 and a dawn karakia was provided by mana whenua in December. Discussions commenced on route options for section 3 across Hobson Bay.</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 and cycling programme was the subject of several hui with mana whenua. Engagement on cycleway projects including Tāmaki Drive, Quay Street, Glover Road and Ian McKinnon Drive.</p>
<b>Public Transport/ Other Public Transport</b>		
<b>City Rail Link</b>	32,600	<p>Infrastructure Sustainability Council of Australia (ISCA) are making amendments to their technical manual to incorporate the changes proposed by the mana whenua forum and the forum has chosen seven further ISCA credits to amend from a cultural perspective making 19 credits in total. Priority credits have also been established for upcoming contract.</p> <p>A social development advisor has been appointed to identify sustainable employment opportunities for Mana Whenua, Māori, Pasifika and youth.</p> <p>Mana whenua provided a cultural induction for the contractors on the Britomart worksites and they continue to exercise kaitiakitanga through their input into ongoing consent conditions and the monitoring of worksites. A briefing for iwi chairs was held to update them on project progress and upcoming procurement and development opportunities.</p>

Activity classes	Jul-Dec 2016 Spend \$	How it contributes to Māori outcomes / Progress
<b>Ōtāhuhu Station</b>	9,200	Station opened in December with dawn blessing led by mana whenua and attendance and participation at the official opening. Ōtāhuhu Station design was heavily influenced by mana whenua through Te Aranga Māori Design principles application. A video on the Māori design aspects of the station is being developed and will be shown on the screens at the station.
<b>Māori Wardens</b>	239,300	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>	6,400	Expression of Interest for Te Aranga Māori Urban Design lead for Half Moon Bay completed in July, mana whenua collective endorsed a Ngai Tai designer to complete these works. Further engagement on design with artist in December. Mana whenua were provided an update by the project teams on the Newmarket Level crossing and Manukau bus interchange in December. Cultural support provided by Ngāti Te Ata and Ngāti Tamaoho for sod turning for Pukekohe station.

Activity classes	Jul-Dec 2016 Spend \$	How it contributes to Māori outcomes / Progress
<b>Other</b>		
<b>Road Safety and Community Transport</b>	21,200	<p>Learner licence training courses for rangatahi (Māori youth) have been held at Tahuna Pā (Waiuku), Hoani Waititi and Manurewa marae. While the courses were well attended, the cost of sitting the licence remains a significant barrier. The Mentoring programme, which assists rangatahi Māori in obtaining their restricted licence, has been held at Ōrākei marae and in the South Kaipara. Mentors are members of the local community, Police and the AA, with a sponsored car from Moyes Panmure. Seven participants in the South Kaipara programme passed their restricted license, with one more to sit. Challenges for participants are time and commitment.</p> <p>Site visits have also been carried out to Umupuia marae for speed reduction and a 'Love Being a Local' education campaign. Events for promoting driver licensing include the Women in Trades conference and planning for an activation at Te Herenga Waka festival in January 2017.</p>
<b>Marae turnout project</b>	24,400	<p>Design is complete for Kia Ora marae and AT is waiting on final approval from the marae to the plans before construction can begin. Transport Agency approval process is nearing completion. Construction is to occur prior to the end of the financial year. This includes \$20K for internal staff time and the balance for professional services.</p> <p>Initial engagement has occurred with Umupuia marae on the design improvements for the turnout onto the main road at Maraetai. AT will be engaging with marae representatives to identity a design response and once this is complete timeframes/staging and costs for construction will be able to be identified. Design elements will be undertaken internally.</p>
<b>Communications</b>	21,100	<p>A draft Māori Responsiveness Project Plan was developed for AT. Presently recruiting for a Māori Responsiveness Programme Manager to lead the programme of work across AT.</p> <p>A best practice Māori Engagement video is being developed that promotes good Māori engagement across AT. The video uses the engagement process with mana whenua for the design and construction of Ōtāhuhu Station and Te Aranga Māori Design application as the exemplar model.</p>
<b>Other</b>	8,500	The Transport for Future Urban Growth (TFUG) project has been engaging on a regional basis with

Activity classes	Jul-Dec 2016 Spend \$	How it contributes to Māori outcomes / Progress
		<p>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.</p> <p>High level discussions with mana whenua on AT's sustainability framework and the Roads and Streets Framework and Transport Design Manual occurred in October/November. Technical workshops on the frameworks will be underway in early 2017 to ensure mana whenua input into content.</p> <p>AT has been working with the 19 tribes of Tāmaki Makaurau on a regional signage project that celebrates mana whenua's cultural tradition and stories, including a regional tohu or logo Unaunahi (fish scales). The first regional sign for Ngāti Paoa was installed in Fanshawe Street in October.</p>
<b>TOTAL</b>	<b>\$433,900</b>	

## 9. Key Local Board issues

Workshops were held with 16 individual Local Boards in the past quarter following the election. AT presented its forward works programme for their areas for the coming 12 months.

Formal induction of Local Boards was not scheduled until February therefore AT initiated a presentation for Chairs, deputies and transport leads covering high level strategic issues such as growth and funding pressures. The presentation, by AT's Chief Executive also included key region-wide projects.

Local Board capital projects continue to progress well. The Matakana foot bridge was completed as was the Mount Albert pedestrian overbridge which links the rail platform with the town centre. The wharf structure at Half Moon Bay was readied for completion over the Christmas period. The pedestrian rail station overbridge at Manurewa was also near completion.

There are currently 72 live projects in the Local Board programme and the spend to end of December was \$10.5 million which is ahead of budgeted delivery for the full year.

In recognition of role of Local Boards, the AT Board appointed Mark Gilbert to have high level oversight of Local Board relationships and key programmes.



## 10. Risk Management

### Progress on current internal and external audit issues

#### Internal audit

In the first quarter of the 2016/2017 year, Risk & Assurance undertook a risk profiling exercise with senior management which resulted in the identification of what senior management considered to be AT's "Top 12" risks. These key risks were across a number of areas including strategy, finance, procurement, major project delivery, technology and cybersecurity and health and safety.

During the quarter under review, Risk & Assurance has continued to work with senior management to monitor and assess the Top 12 risks for changes in trends, impact, likelihood of occurrence and relevant mitigating controls. A formal program to perform an in-depth analysis of each of these risks over a 12 month rolling period, has been developed. Under the program 3 of the Top 12 risks will be analysed each quarter in detail by senior management in order to provide the ELT Risk Committee and the Finance and Risk Committee with detailed information relating to each risk so as to enable better understanding, assessment and monitoring of these risks. During the period under review this activity was completed for 3 of the key risks.

Risk & Assurance will undertake various process improvement activities relating to risk management including an update of AT's Risk Management Framework, review of AT Policies, risk appetite statements and development and introduction of the Bowtie methodology for assessment of key risks. Fraud and corruption awareness training will also be carried out across the organisation.

The 2016/2017 internal audit work plan was updated to include additional reviews in higher risk areas such as cybersecurity, technology and health and safety. The amendments were made as a result of the risk profiling exercise carried out with senior management and the plan was approved by the Finance and Risk Committee at its November 2016 meeting. Delivery of the plan is on track with several audits in key areas such as cyber security and health and safety currently in progress. A number of special investigations (i.e. unplanned work) are also in progress or have been completed.

Risk & Assurance also continued to provide probity audit and advisory services on high value procurements or those deemed to be high risk in line with AT's Procurement Strategy.

#### External audit

Audit NZ is currently engaged to perform a review engagement on the reporting pack to be submitted to Auckland Council on 27 January 2017. In addition to that, the audit team is also completing the interim audit work for the year ending 30 June 2017. This involves testing key controls within the organisation as well as process walkthroughs and updating documentations. No significant issues have been identified at this stage. The results of the review engagement will be presented to the Committee in the 16 May 2017 meeting.

#### Group financial impacts

AT is unaware of any financial impacts that would affect the Auckland Council group. No changes have been made in the quarter (i.e. 31 December 2016 quarter) to the approaches taken to risk management, internal audit, or external audit.