

# Auckland Transport Quarterly Report

Quarter ended 30 September 2017



*New electronic ticketing gates at Ōtāhuhu station*

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# 1. Executive summary

## Strategic Context

Auckland Transport (AT) has made significant progress in recent years, with major improvements in the public transport system, strong patronage growth, increasing customer satisfaction ratings, commencement of the City Rail Link and investment in active modes of transport, particularly cycling facilities. However, despite this progress, these achievements are quickly becoming neutralised by Auckland's rapidly increasing population and the emerging impacts of an historical infrastructure deficit.

Unprecedented growth in Auckland's population is driving a significant increase in the demand for travel, putting severe pressure on the transport network and causing sustained levels of high congestion on the arterial network, although this has eased to an extent by the opening of the Waterview Tunnel.

In the past quarter, AT has begun preparing the next suite of ten year planning documents (Long Term Plan, Regional Land Transport Plan and the Regional Public Transport Programme). These plans will need innovative and customer focused solutions on a tight budget. At the same time, AT has continued solid delivery of core business.

## Key Achievements for the Quarter

AT has had a successful quarter with progress on a broad front and a number of significant milestones achieved. Highlights for the first quarter were:

- Public transport patronage for the 12 months to September 2017 totalled 89.9 million boardings, an increase of 7 percent compared with the same period last year, and is currently on track to exceed the 2017/2018 SOI target.
- Overall satisfaction with public transport services (91 percent) for the 12 months to September 2017 is up seven percentage points compared with the same period last year. Bus had the biggest increase, with 91 percent satisfaction (up eight percentage points compared with the September 2016 result). Rail also had a large increase, with 94 percent satisfaction (up seven percentage points compared to the September 2016 result).
- Arterial road productivity, which measures the efficiency of key arterial routes in moving people during the peak hours, continues to exceed the SOI target of 55 percent, with the 12 month rolling average result in September 2017 reaching 62.4 percent.
- New electronic ticketing gates were installed at Ōtāhuhu and Henderson Stations. The benefits of electronic ticketing gates include reduction of incidence of fare evasion and helps reduce antisocial behaviour and vandalism.

## Financial Performance

AT's surplus before tax (this includes funding for capital items) for the three months ended 30 September 2017 was \$121.0 million. This is \$64.1 million higher than budget, mainly due to unbudgeted vested assets revenue of \$48.0 million.

Deficit from operations (this excludes funding for capital items) was \$71.4 million, \$8.3 million favourable to budget mainly due to \$6.1 million lower depreciation. Operating expenditure excluding depreciation and amortisation is within budget and expected to be within budget by the end of the year. There is no financial risk to report at this stage.

Capital expenditure excluding vested assets was \$125.3 million, \$7.4 million ahead of budget mainly due to accelerated property acquisition for Mill Road and advanced

construction for Pukekohe Station. The rate of delivery will need to increase over the summer months to achieve annual targets.

## **Non-Financial Performance**

There are 36 non-financial performance measures covered by the Statement of Intent (SOI). Of the 36, thirteen **exceeded** the performance measure, eight **met** the performance measure, six **did not meet** the performance measure, and nine are annual measures.

Highlights in terms of performance are:

- Overall satisfaction with public transport services (91%) was up one percentage point compared with the previous quarter (Target: 85%).
- Arterial road productivity exceeded the SOI target of 55%, with the 12 month rolling average result in September 2017 reaching 62.4%.
- The number of cycling trips in specific designated areas in Auckland exceeded the monthly target. The number of cycling movements in the Auckland city centre also exceeded the monthly target.
- Following the marginal adjustment of freight travel time targets for 2017/18, travel times on all ten key freight routes either met or exceeded their interpeak travel time targets. All freight routes continue to operate relatively efficiently at levels of service B or C (50 – 90% of the posted speed limit) during the interpeak.

Measures that did not meet their performance measures targets:

- In September 2017, resident satisfaction with the quality of roads in the Auckland region (61%) was unchanged compared with last quarter (61%). Resident satisfaction with quality of footpaths in the Auckland region (57%) was down one percentage point compared with last quarter (58%). These scores are below the SOI targets of 70% and 65% respectively.
- In September 2017, no new cycleways were added to the regional cycleway network despite a planned target of three kilometres. The Waterview Shared Path was due to open in September is now due to open in October 2017.
- There were 649 fatalities and serious injuries on the local road network in the 12 months to June 2017, 20 percent higher than the target trajectory of 542 and 18 percent higher than for the 12 months to June 2016. Local road deaths have increased by 23 percent (from 39 to 48) and local road serious injuries have increased by 17 percent (from 515 to 601) for the 12 months to June 2017 compared to the 12 months to June 2016.

## **Risk Management**

Key risks are monitored and reported to AT's Board. No risks have been identified that are of a governance level that could impact on the well-being or reputation of the Auckland Council Group.

## 2. Strategic issues and focus areas

### Strategic Context

This quarter saw continued increases in key external indicators linked to transport demand.

- High levels of net migration continue, with an estimated net gain of 36,796 net migrants to Auckland in the 12 months to August 2017 – a 14.3 percent increase on the 12 months to August 2016<sup>1</sup>.
- Auckland employment increased by 4.2 percent for the June 2017 quarter compared with the June 2016 quarter<sup>2</sup>.
- Auckland GDP grew by 3.4 percent for the 12 months to June 2017 compared with the 12 months to June 2016<sup>3</sup>.
- The number of housing consents in Auckland increased by 4.2 percent in the 12 months to August 2017 compared with the 12 months to August 2016.

Consistent with growth in external indicators, transport metrics continue to show strong growth in demand for travel in Auckland.

- Public transport boardings grew by 7 percent for the year to September 2017 compared with the year to September 2016.
- The total number of cars registered in Auckland grew by 3.9 percent, an increase of 35,895 cars from 923,405 as at September 2016 to 959,300 cars as at September 2017.
- Fuel sales continue to grow, increasing by 4.0 percent for the 12 months to July 2017 compared with the 12 months to July 2016.
- A total of 19.2 million passenger movements were recorded through Auckland Airport in the 12 months to August 2017, up 9.3 per cent compared with the 12 months to August 2016.

There has been a slight improvement in congestion levels following the opening of the Waterview Tunnel.

- With demand for private and commercial vehicle travel increasing rapidly, there has been sustained levels of high congestion on the arterial network during the morning peak, with steady increases over the last two years.
- However, since the opening of the Western Ring Route (including the opening of the Waterview Tunnel) in June 2017, there has been an evident improvement in congestion levels on the arterial network during the morning peak, with July and August showing considerable improvements on previous years. In the long-term, we expect that population driven demand will see congestion trends resume, albeit from a lower base than before the opening of the Waterview Tunnel.

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<sup>1</sup> Calculation based on data from Statistics NZ, *International Travel and Migration: August 2017*

<sup>2</sup> Calculation based on data from Statistics NZ, *Household Labour Force Survey tables for June 2017 quarter*

<sup>3</sup> Infometrics Quarterly Economic Monitor – June 2017  
<https://ecoprofile.infometrics.co.nz/auckland/QuarterlyEconomicMonitor/Gdp>

## Progress Update on Key Projects and Initiatives

To deliver Auckland Council's priorities and to support our strategic themes, AT has progressed the following projects over the September 2017 quarter:

Strategic themes:

- Prioritise rapid, high frequency public transport
- Continually transform and elevate customer experience
- Build network optimisation and resilience for travel times
- Enable quality urban growth to meet demand
- Fast-track creative, innovative and efficient transport services

- **Electric Trains** – The NZ Transport Agency Board approved 15 EMUs rather than 17 IPEMUs (EMUs with batteries installed) previously proposed.
- **AMETI Eastern Busway** – The AMETI Eastern Busway programme is progressing towards the revised target completion date of 2025 to be fully operational. The busway programme is to be delivered in four stages and will provide much needed access for East Auckland suburbs to Auckland's high quality, reliable Strategic Public Transport Network.
- **North West Transformation** – The Supporting Growth planning team is currently assessing options for new transport connections to support growth in the North West. This study, which is being carried out in three stages over five years, consists of the identification of possible options, the confirmation of preferred options and land designations to protect preferred routes.
- **Mass Transit** – The airport to city route was confirmed in March 2017 and investigation work has continued into the provision of mass transit on this corridor. This work has included progressing the design, with particular focus on the isthmus section, which is expected to be delivered as the first stage. This work is aligned with the Mayoral Intent for the 10 Year Budget (Long Term Plan) 2018-2028 document released on 22 August 2017. The document signals the investigation into LRT between the city and the airport to assist in alleviating congestion on the Isthmus and timeframe for which this could be done.
- **Manukau Bus Station** – The structure, roof and glazing are complete and interior finishing is progressing well. Rain gardens and all subsoil works have been completed. Issues regarding ceiling support and the discovery of peat in the bus manoeuvring area have caused delays such that the station building will now be complete by the end of December 2017 and the civil works at the southern side of the site will not complete until end January 2018. Meanwhile the southern side of the site is being prepared for use at the New Network East Go Live on 10 December 2017. The business technology and operational fit outs along with driver and staff training will be able to progress as planned during the third quarter. Putney Way upgrade has been through a value engineering exercise and will be re-tendered in October 2017 with some expectation of more affordable cost.
- **Ōtāhuhu Bus/Rail Interchange** – The new station is fully operational. Installation of the electronic ticketing gates is complete and operational, and early indications are that paper ticket sales are up significantly and fare evasion is reduced. Perimeter fencing is being increased in height following an observed increase in trespass as fare evaders attempt to circumvent the ticket gates.
- **Public Transport Safety, Security and Amenity** – Ticket gating of five stations is underway for Manurewa, Middlemore, Papatoetoe, Glen Innes and Papakura.

- **East West Frequent Bus Network** – The objectives of the project are to improve public transport, cycling, and walking connections between Māngere Town Centre and Sylvia Park, via Ōtāhuhu. As part of the new south bus network, frequent network route 32 was implemented on 30 October 2016, and there is a need to improve facilities and deliver bus lanes to support this route. These works will be delivered ahead of the main works, which are planned to begin in 2019. The project has been divided into three packages:
  - **Stage 1 Early Works** – Extension of the bus interchange at Mangere Town Centre, and new bus stops in Ōtāhuhu Town Centre. Work includes streetscape upgrades and new passenger amenities.
  - **Stage 2 Early Works** – Transit/bus priority lanes along Walmsley Road, Atkinson Avenue and Mt Wellington Highway, and a cycle route from Ōtāhuhu to Sylvia Park, via Church Street, Meadow Street, and Mt Wellington Highway.
  - **Stage 3 Remaining Works** – Transit/Bus priority lanes and cycle lanes along Massey Road and Mangere Road. Cycle lanes along Thomas Road and Orly Avenue will connect to the Mangere Town Centre.
- **Pukekohe Station Upgrade** – Physical works are underway for a new bus station adjacent to Pukekohe rail station. The improvement is planned to be completed and operational by early 2018. This will cater for the new bus network in South Auckland. It has the ability to cater for six bus services, an 87 space Park & Ride and a new pedestrian overbridge linking the bus shelter and rail platform. As part of the scheme, the road intersection at Custom Street and Manukau Road will be upgraded and turned into a signalised intersection. The construction has been split into 2 stages with Stage 1 completed and Stage 2 commenced.
- **Warkworth Matakana Link** – The Matakana Link Road project is a new greenfields road which is proposed to link SH1 and Matakana Road in Warkworth to enable NZ Transport Agency to achieve the full benefits of the Puhoi to Warkworth (P2Wk) project and also to enable and cater for the planned growth in Warkworth. It forms part of the TFUG vision for Warkworth and links in with other local improvements such as the Western Collector and Sandspit Link Road. AT and NZ Transport Agency have agreed to co-ordinate the P2Wk and Matakana Link Road (MLR) project so that the MLR project is completed on or before the opening of P2Wk.
- **Newmarket Crossing** – Removal of the existing level crossing at Sarawia Street to improve rail operational efficiency and safety around Newmarket Station. A bridge is proposed to replace the road access to Laxon Terrace. In the last quarter, designs were progressed sufficiently for the physical works tender to be issued. The NZ Transport Agency funding application was progressed and negotiations continued for the Deed of Grant with Kiwi Rail, consents with Auckland Council and Archaeological approval with Heritage NZ.
- **Walking & Cycling Major Projects**
  - **Herne Bay to Westhaven Cycle Route** – Public consultation is now complete and the project is now in the detailed design phase. Internal AT consultation is ongoing.
  - **Westhaven to CBD Cycle Route** – The project has been split in to 2 sections (Section 1; Wynyard Quarter and section 2; Market Place/ Customs Street/ Lower Hobson). Section 1 works currently are in progress. Section 2 consultation started and closed in early October 2017.
  - **Karangahape Road Cycle Route** – Resource consent requirements are being assessed as part of detailed design. A stakeholder working group is being formed to assist with finalising detailed design. A strategy is being developed to help

- maintain existing trees where possible. Overbridge bus stop shelter options are being assessed.
- **Waterview Shared Path** – The official opening was held on 6 October 2017.
  - **Newmarket Laneways** – The Teed Street Upgrade project construction is progressing well. Previously incurred delays have been reduced through the works in other sections going faster than expected. Relations with the businesses remain positive and proactive management is continuing. The construction is planned to be complete by the end of October 2017.
  - **Nelson Street (Stage 2) Cycle Route** – Construction of phase two of the Nelson Street cycleway north of Victoria Street to Market Place/Pakenham Street East and Pitt Street from Beresford Square to Hobson Street motorway on ramp commenced in June 2017 with target completion by the end of October 2017.
  - **Waitemata Safe Routes** – The contractor has mobilised multiple crews and is making good progress on the works. Physical works have begun along the western side of West Lynn Town Centre with the current goal to be clear of the town centre entirely by the holiday shopping rush. Both the contractor and AT have stakeholder managers working to address business and resident concerns. The cyclepath is underway along Surrey Crescent. The first floating bus stop has been completed and has received positive reviews from Bike Auckland.
  - **Ian McKinnon Cycle Route** – Obtaining approval for use of NZ Transport Agency land is underway. It is planned to lodge the Resource Consent and the construction tender to be published to the market in October 2017.
  - **Glen Innes to Tamaki Shared Path** – The section 2 (St Johns Road to Orakei Basin) preliminary design has been completed and cost estimates have exceeded budget. Value engineering is being undertaken. Section 3 (Orakei Basin boardwalk) construction is progressing to programme. The section 4 (Orakei Basin to Tamaki Drive) preferred route closed 8 October. Feedback to date has been generally positive and the team are working closely with key stakeholders along the route (boatshed owners and local residents).
  - **Cycle Links to Glen Innes Train Station (Local Connections to Glen Innes)** – Scheme design has been finalised. Public consultation has started with an open day for the project held on 7 October 2017.
  - **Parnell to Tamaki Cycle Route** – Public feedback has been divided. Further investigation work will be undertaken and a Multi Criteria Assessment applied to assist in the decision making on selection of a preferred option.
  - **Tamaki Drive Cycle Route** – Section 1: Design complete. Proposed tree removal on the project led to a notified resource consent which went to hearing on 11 September 2017. The decision is in favour of AT's proposal. Construction is proposed to start late November 2017, pending appeals. For the remaining two segments, The Strand to Solent and Solent to Ngapipi, the investigation and design phase has been awarded. In June 2017, consultation was undertaken on a proposal to upgrade sections of the existing shared paths on both sides of Tamaki Drive between The Strand and Ngapipi Bridge, to create a 2.4km off-road walking and cycling route. The consultation process gave AT clear feedback that the original southern side option was generally not supported. A northern side, bi-directional on-road separated cycleway is the preferred option to progress to detail design.
  - **New Lynn / Avondale Cycle Route** – The construction tender for construction is out in the market and closed on 20 October 2017. Construction will start this



- summer once resource consent, funding, access, and KiwiRail approvals are gained.
- **Victoria Street Cycle Route (Beaumont to Hobson)** – Detailed Design commenced mid July with completion due February 2018.
  - **Pt Chevalier to Herne Bay Cycle Route** – With conclusion of public consultation in July 2017, detailed design has now commenced. Further assessment is being carried out for the three key intersections to ensure they perform well for pedestrians and cyclists, while meeting operational requirements for buses and general traffic. Construction work for the Pt Chevalier Road to Westmere, stage 1 works, are planned for the first quarter of 2018. The stage 2 West End Road scheme design is underway, with public consultation planned in 2018 and construction starting in 2019.
  - **Williamson Avenue to K’ Road Cycle Route** – The detailed design is nearing completion. A Road Safety Audit and a peer review of designs has been completed. Public consultation for the Bond St/Great North Road intersection was completed on 3 September and feedback analysis is underway. Construction is currently programmed to commence in December 2017.
  - **Northcote Safe Cycle Route** – Progress on construction of the parking bays on Queen Street has been delayed due to their clashes with an existing shallow watermain requiring relocations and new works approvals from Watercare Service Ltd. A post-construction safety audit on the completed Lower Queen Street works has been completed along with a speed survey.
- **Road Safety Programmes**
    - The Te Ara Haepapa programme has been developed. Five road safety videos were released on social media.
    - Promoted the Sober Driver programme to Unitec Maori and Pacific trades staff and Te Wiki o Te Reo Maori programme.
    - Relationships established with 10 Marae, nine community groups and 19 Kura.
    - Speed Campaign Kupe St- Orakei Marae.
    - Driver licensing programme delivered to 4 groups- Manurewa, Tahuna Pā, Te Kura Kaupapa Maori o Puau Te Moananui and Puatahi Marae ‘Kaipara’.
  - **Safe walkways and cycleways**
    - **Western connections package**
      - Herne Bay to Westhaven – Detailed design started.
      - Great North Road – Detailed design started.
      - Point Chevalier to Herne Bay – Detailed design started.
    - **City Centre Package**
      - Ian McKinnon Drive – Detailed design nearly complete.
      - Karangahape Road and Victoria Street (East West) – Detailed design started.
      - Tamaki Drive (segments 2 and 3) – Design to start in October
      - Parnell Road to Tamaki Drive – Investigation midway through
      - Westhaven to CBD – Section 2 detailed design nearly completed
    - **Public transport links package**
      - New Lynn to Avondale – Detailed design nearly completed.

- Links to Glen Innes – Investigation nearly completed.
  - Links to New Lynn – Detailed design nearly completed.
- **Eastern Connections Package**
  - Glen Innes to Tamaki Drive – Section 2 detailed design started and Section 4 scheme design completed.
- **Organisation Development**
  - **Diversity and Inclusion** – Following the first quarterly meeting of the Leadership team, progress has been made across the board to finalise the vision, communications plan, policies and action plan for the next two years. The team has committed to gaining the Rainbow Tick accreditation, finalised the ageing workforce strategy, developed a framework for AT Connect (staff network groups) and commenced work around supporting Women@AT, as well as accessibility. The next leadership meeting is in October which will precede the launch of some of these initiatives to staff.
  - **Early Career Programme** – After hiring 23 graduates in July, AT is currently in the advanced stages of recruiting a further two graduates, a cadet and selecting a person to receive a scholarship as part of our partnership with the First Foundation. Work has progressed in designing the rotations and the development resources. AT has delivered the first sessions of the ‘Mentor Development Series’ for 50 Managers who will provide mentorship to our Early Career participants. Induction has commenced with an event held in October, which brought a number of the graduates together for the first time in the new Viaduct premises where we shared our vision for their time with AT.
  - **Strategic workforce planning** – An ELT workshop was held in July to discuss the future workforce needs of AT. Divisional workshops have since been held across the majority of Divisions, with all meetings concluded by mid October. Work is now progressing to develop people plans across all Divisions which will be shared at ELT in November. New people metrics were also rolled out in September to ELT members, covering FTE and people investment, acquisition, composition and productivity measures for each Division.
  - **Competency framework** – The framework has moved from a competency to a leadership and development framework. This is a staggered implementation, with interview guides to be used during the recruitment process for team member roles rolled out in September. A consistent approach to recruiting leadership roles will be the next phase.
- **Health, Safety and Wellbeing**
  - **“Managing Safely”** – As part of AT’s commitment to making sure Project Managers/Delivery Managers have comfort they have the knowledge and competencies to support good Health and Safety (H&S) management on their projects, we have aligned with ‘The Learning Wave’, and the ‘Construction Safety Council’ to deliver the ‘Managing Safely’ programme. Based on the internationally recognised programme provided by the UK Institute of Occupational Safety (IOSH). The aim of the programme is to provide the foundation H&S knowledge, increasingly required for the successful delivery of roles. This is a three day programme, developed and supported by NZ Transport Agency/ACC and the Zero Harm Industry Forum, it has been developed by our industry (including reps from AT) for our industry. The aim is to have 60 of our managers through this programme, this calendar year, with another 60 in the first quarter of next year, until all our managers have completed training.

- **‘Move Strong’ The pilot of “Move Strong”**, an initiative in the falls prevention programme is due to start for the Manukau and Takapuna based Parking Officers. “Move Strong” is a physical conditioning programme aimed at prevention of musculoskeletal injuries including back and slip trip and fall related injuries. A holistic approach is being taken with a focus on general well-being. The pilot will include pre and post measures of functional movement assessments and health screening. Move Strong will be delivered over a twelve-week period. The programme will identify and train in-house champions to continue delivery of the daily physical conditioning exercises every day before shifts start for ongoing injury prevention benefits.

### 3. Highlights for the last quarter

- **Public Transport** – September 2017 was a strong month for public transport, with total boardings exceeding the monthly target for September by 5.5 percent. Overall public transport patronage totalled 89.9 million boardings for the 12 months to September 2017, an increase of 7 percent, or 5.9 million boardings, on the 12 months to September 2016.
  - Rail boardings totalled 20.2 million for the 12 months to September 2017, an increase of 16.1 percent, or 2.8 million boardings, on the 12 months to September 2016.
  - Bus boardings totalled 63.6 million for the 12 months to September 2017, an increase of 4.7 percent, or 2.9 million boardings, on the 12 months to September 2016.
  - Ferry boardings totalled 6.1 million for the 12 months to September 2017, an increase of three percent, or 0.2 million boardings, on the 12 months to September 2016.
- **Electronic ticketing gates** – The new electronic gates at Ōtāhuhu Station and Henderson Station went live in August 2017. The benefits of electronic gates include
  - Enhances personal safety for customers.
  - Improves overall travel experience.
  - Reduces the incidence of fare evasion.
  - Helps reduce vandalism at stations.

### 4. Future outlook

- **Rail Network** – Procurement process is underway to upgrade the on-board train passenger Wi-Fi to 4G.
- **AMETI** – Eastern Busway (EB1) Notice of Requirement- A brief re-notification period is planned following newly identified potential effects. Public hearings are scheduled late 2017 to early 2018. Design, consenting and property acquisition activities for future stages will continue. The scheme assessment updates for Stage 2B (Pakuranga to Botany including Reeves Road) continues, with a programme wide traffic modelling update. The procurement following design and consenting phase for EB2/3 will conclude early November 2017 with a professional services contract award and start up. A public consultation with affected land owners will continue.
- **North West Transformation** – Complete the upgrading of the Westgate shopping centre by December 2018.
- **Mass Transit** – Re-establishment of the project governance, including Project Control Group (PCG) with external parties and Technical Advisory Group (TAG). Obtain formal agreement on A2C business case project plan, currently pending NZ Transport Agency sign off. Business case for route protection will include further work on the proposed 'staged transition' from bus to light rail to assess key operational elements, required trade-offs, flow on effects, transition impacts, and network resilience issues. It also includes the technical work to define trigger points and understand impact of construction methodology to transition from bus to light rail. AT will lead this work in partnership with NZ Transport Agency and with ongoing involvement from AC. In parallel, work will be undertaken to progress a business

case for the eastern connection from the Airport to Manukau City Centre and Botany. The expected timeframe for completion is Quarter 4 at year 2017/18.

- **Manukau Bus Station** – Over the next three months, the building is programmed to be completed. The external civil works will be substantially complete requiring finishing in the bus bay area during January 2018. Putney way upgrade will be tendered and awarded with planned start immediately following the Christmas break.
- **Ōtāhuhu Bus/Rail Interchange** – All physical works are now complete. A few final defects require addressing by the main contractor Downer, and the defect period is scheduled to end in November 2017.
- **Public Transport Safety Security and Amenity** – Manurewa ticket gating infrastructure to be installed and available for operation in October 2017. Middlemore and Papatoetoe enabling works will commence shortly.
- **East West Frequent Bus Network** – Final completion of physical works on Thomas Road, Orly Avenue, Walmsley Road, and Avenue Road will occur during the next quarter. Detailed design to complete and public consultation to begin for Church Street and Meadow Street cycleway, and Mt Wellington Highway cycleway and T3 lanes in late 2017. Detailed design for Stage 3 works is expected to begin in early 2018, with construction expected to begin in 2019.
- **Pukekohe Station Upgrade Stage 2** – Works commenced in July 2017 and will run until early 2018.
- **Newmarket Crossing** – the construction contract is expected to be awarded by 13 November and the work to commence on site by 27 November. The contractor will be introduced to the Community Liaison Group, an important part of the project stakeholder management process.
- **Parnell Station** – The Carlaw Park footpath connection is nearing completion of detailed design. Contact has been made with Summerset Homes regarding changes to be made to the station access.
- **Half Moon Bay Bus Turning Area** – The resource consent application has been submitted to council. The design has been finalised and the contractor will start the work as soon as the consent is granted. Work is anticipated to start in November and will be completed in the first quarter of 2018.
- **Dominion Road Bus Priority Upgrade** – Detailed designs are being prepared by Beca following AT feedback. Consultation materials for phase A is due to go out to affected parties on Dominion Road in the near future. The double decker veranda trimming works are to be delivered in parallel under the same contract to reduce disruption impacts on local shops.
- **Pay and Display machines upgrade** – AT is upgrading 810 Pay and Display machines with newer technology. This will include Pay by Plate and Paywave payments. The machines are being rolled out in late October, beginning first in Ponsonby and to be all completed by March 2018. Pay by Plate means you enter your vehicle's registration number into the machine and do not need to display a parking ticket. The machines will not print any tickets but you can get an electronic receipt. To avoid confusion on how to use pay by plate, advertising and communications are being planned.

## 5.Key deliverables

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




Key deliverable	Status	Comments
<b>Bus Infrastructure Improvement Programme</b>	Ongoing	<ul style="list-style-type: none"> <li>Completed the New Network West Rollout in July. Currently undertaking design, consultation and resolution of 108 stops for New Network East. Some of the advance design work for New Networks Central and North are being constructed whilst physical resource is available.</li> </ul>
<b>Double Decker Buses (Dominion Road)</b>	Ongoing	<ul style="list-style-type: none"> <li>Commenced the engagement with affected property owners.</li> <li>NZ Transport Agency funding application – to be done jointly with Dominion Road Upgrade Project.</li> <li>Discussed with MRT team on the potential conflict with the service relocation.</li> <li>Discussed procurement method with Main Dominion Road Upgrade Project for veranda modification works.</li> </ul>
<b>Double Decker Buses</b>	Ongoing	<ul style="list-style-type: none"> <li>Great North Road route successfully went live on 10 September 2017.</li> <li>Manukau Road route detailed designs were completed and consenting process and procurement for physical works started.</li> </ul>
<b>Westgate Park &amp; Ride</b>	Ongoing	<ul style="list-style-type: none"> <li>Strategy confirmed funding shortfall. Property commenced due diligence to enable property strategy to be prepared for the acquisition of the identified property. The property has recently been sold.</li> </ul>
<b>Papakura Park &amp; Ride</b>	Ongoing	<ul style="list-style-type: none"> <li>Draft indicative business case has been received from the consultant and will be internally reviewed.</li> </ul>
<b>Park &amp; Ride Silverdale - Stage 2</b>	Ongoing	<ul style="list-style-type: none"> <li>Major earthworks for new carparks and bus station is fully completed.</li> </ul>
<b>New Northern Busway Station and Park &amp; Ride</b>	Ongoing	<ul style="list-style-type: none"> <li>The Auckland Transport Board approved the Detailed Business Case for the Rosedale Busway Station on 12 September 2017. Public consultation will be undertaken in the coming months following agreement of a coordinated approach between Auckland Transport and NZ Transport Agency.</li> </ul>
<b>Seal Extension</b>	Ongoing	<ul style="list-style-type: none"> <li>Takatu Road Stage 1 construction completed. Takatu Stages 2 and 3 construction started in late 2016 and is programmed to be completed in November 2017. Monowai Road design 90% complete.</li> </ul>
<b>Warkworth Matakana Link</b>	Ongoing	<ul style="list-style-type: none"> <li>Public consultation</li> <li>Iwi engagement</li> <li>Land owner and Local Board engagement</li> </ul>
<b>Newmarket Crossing</b>	Ongoing	<ul style="list-style-type: none"> <li>License to occupy park land</li> <li>Continued detailed design</li> </ul>










## Progress for Key Projects/Activities for Next Quarter

Key Deliverables	Comments
<b>Bus Infrastructure Improvement Programme</b>	<ul style="list-style-type: none"> <li>Focus will be on resolving all of the stops required for New Network East for the December rollout of this area. Transport Services have provided a smaller list of “must have”/critical stops which will be prioritised for construction. Design and consultation work for the remainder of New Network Central will commence when East is complete and consultant resource becomes available.</li> </ul>
<b>Double Decker Buses (Dominion Road)</b>	<ul style="list-style-type: none"> <li>Undertake veranda inspections. Engage all affected property owners. Complete veranda designs and consent process.</li> <li>Complete NZ Transport Agency funding application. It has to be done jointly with Dominion Road Upgrade Project.</li> </ul>
<b>Double Decker Buses</b>	<ul style="list-style-type: none"> <li>Manukau Road route - complete initial physical works and obtain required building and resource consents.</li> <li>Remuera Road route - complete initial survey and procurement for professional services.</li> </ul>
<b>Westgate Park &amp; Ride</b>	<ul style="list-style-type: none"> <li>Property attempting to discover the new owners details and make contact to establish whether there is an opportunity to acquire the property from them or not. Property has referred back to Strategy, to consider next steps should the new owner be unwilling to sell.</li> </ul>
<b>Papakura Park &amp; Ride</b>	<ul style="list-style-type: none"> <li>Progress to draft business case and apply for NZ Transport Agency funding allocation in order to progress detailed design and ultimately construction next calendar year.</li> </ul>
<b>Park &amp; Ride Silverdale - Stage 2</b>	<ul style="list-style-type: none"> <li>Sealing of the main carpark late October. Opened to public late November.</li> <li>Bus Station and platforms - Separate procurement required for building construction. Tendering during November with award early Jan.</li> </ul>
<b>New Northern Busway Station and Park &amp; Ride</b>	<ul style="list-style-type: none"> <li>Public consultation is on hold pending decision on merits of Park &amp; Ride.</li> </ul>
<b>Seal Extension</b>	<ul style="list-style-type: none"> <li>Continue construction of Takatu Road Stages 2 and 3, programmed to be completed in November 2017.</li> <li>Monowai Road construction to start November 2017.</li> </ul>
<b>Warkworth Matakana Link</b>	<ul style="list-style-type: none"> <li>Complete MCA assessment.</li> <li>Provide further design detail of selected option.</li> <li>Additional technical assessments.</li> <li>Funding approvals for detailed design and Construction.</li> <li>Tender and award detailed design contract.</li> </ul>
<b>Newmarket Crossing</b>	<ul style="list-style-type: none"> <li>Award construction contract and commence construction.</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	133.6	134.4			539.3
AC funding	68.8	68.8			275.2
Expenditure excluding depreciation, amortisation	197.6	196.2			808.4
Depreciation and amortisation	84.5	78.4		The variance is mainly due to revised useful life of roading assets following June 2017 revaluations.	363.0
Gain (loss) on derivatives and disposal of assets	-	0.4			-
<b><u>Capital</u></b>					
Expenditure excluding vested asset	117.9	125.3		The variance is mainly due to accelerated property purchase for Mill Road and advanced construction for Pukekohe Station.	765.9
Vested assets	18.7	66.7		Roading vested assets received from Auckland Council higher than expected.	103.0
AC funding – subsidy	82.9	90.9		Auckland Council's capital funding is higher as a result of capital expenditure being above budget.	591.9
External funding	35.0	34.4		NZ Transport Agency capital funding is slightly lower than budget but full year budget expected to be met.	174.0



















## 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	2017/18 Q1 Result	Last actual	Date of last measure
1. Total public transport boardings (millions)	93.01		12 month rolling total: 89.9	September 2017
2. Total rail boardings (millions)	21.06		12 month rolling total: 20.2	September 2017
3. Boardings on rapid or frequent network (rail, busway, Frequent Transit Network - bus)	Increase at faster rate than total boardings		12.2% growth in RTN + FTN vs 7.0% growth in total boardings	September 2017
4. Public transport punctuality (weighted average across all modes)	94%		YTD average: 96.7%	September 2017
5. Customer satisfaction index: Public transport	85%		September result: 91%	September 2017
6. Customer satisfaction index: Road quality	70%		September result: 61%	September 2017
7. Customer satisfaction index: Footpath quality	65%		September result: 57%	September 2017
8. Customer satisfaction index: Road safety	60-65%		September result: 60%	September 2017
9. Local road deaths and serious injuries per 100 million vehicle kilometres travelled <sup>1</sup>	4.9	N/A	N/A	Reported at the end of the financial year

Performance measure	SOI Target	2017/18 Q1 Result	Last actual	Date of last measure
10. Percentage of Local Board members satisfied with AT engagement	Reporting to Local Board: 60%	N/A	N/A	Reported at the end of the financial year
11. Percentage of Local Board members satisfied with AT engagement	Consultation with Local Board: 60%	N/A	N/A	Reported at the end of the financial year
12. 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 (2017 year-end target of 537)		12 month rolling total: 649	June 2017
13. 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: 86.1%	September 2017
14. Arterial road productivity <sup>3</sup>	55% of the ideal achieved		12 month rolling average: 62.4%	September 2017
<b>Travel times (in minutes) on key freight routes<sup>4</sup> (performance measures 13 to 22)</b>				
15. SEART (from Sylvia Park to East Tamaki) – East Bound	12		12	September 2017
16. SEART (from East Tamaki to Sylvia Park) – West Bound	12		10	September 2017
17. Wairau Road (from SH1 to SH18) - West Bound	9		9	September 2017
18. Wairau Road (from SH18 to SH1) - East Bound	10		9	September 2017

Performance measure	SOI Target	2017/18 Q1 Result	Last actual	Date of last measure
19. Harris Road (from East Tamaki to SH1 Highbrook interchange) – West Bound	11		11	September 2017
20. Harris Road (from SH1 Highbrook interchange to East Tamaki) – East Bound	13		12	September 2017
21. Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (SH20 to Walmsley) – East Bound	11		9	September 2017
22. Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (Walmsley to SH20) – West Bound	11		7	September 2017
23. Great South Road (SH1 Ellerslie Panmure Highway Interchange to Portage Road) – South Bound	13		12	September 2017
24. Great South Road (Portage Road to SH1 Ellerslie Panmure Highway Interchange) – North Bound	13		11	September 2017
25. New cycleways added to regional cycle network (km)	10 km		YTD completed: 0.4km	September 2017
26. Annual number of cycling trips in designated areas in Auckland (all day)	1.8 million		YTD: 375,287	September 2017
27. Annual cycle movements in the Auckland city centre	1,863,000		YTD: 385,906	September 2017
28. Road maintenance standards (ride quality) as measured by	81%	N/A	Reported annually in March	Reported annually in March

Performance measure	SOI Target	2017/18 Q1 Result	Last actual	Date of last measure
Smooth Travel Exposure (STE) for all <b>urban</b> roads				
29. Road maintenance standards (ride quality) as measured by Smooth Travel Exposure (STE) for all <b>rural</b> roads	91%	N/A	Reported annually in March	Reported annually in March
30. Percentage of the sealed local road network that is resurfaced	7.5%		YTD completed: 0.6%	September 2017
31. Percentage of footpaths in acceptable condition (as defined in AT's AMP)	99%	N/A	Reported annually in March	Reported annually in March
32. PT farebox recovery <sup>5</sup>	47-50%		46.4%	September 2017
33. Parking occupancy rates (peak four-hour, on-street) <sup>6</sup>	70%-90%		August 2017 rolling average: 86.1%	August 2017
34. Number of car trips avoided through travel planning initiatives <sup>7</sup>	20,240	N/A	Reported at the end of the financial year	Reported at the end of the financial year
35. Active and sustainable transport mode share at schools where the Travelwise programme is implemented	40%	N/A	Reported at the end of the financial year	Reported at the end of the financial year
36. Active and sustainable transport mode share for morning peak commuters where the Commute programme is implemented	40%	N/A	Reported at the end of the financial year	Reported at the end of the financial year

<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

A significant development of this quarter was the finalisation of Auckland Transport's Maori Responsiveness Plan which was endorsed and approved by the Auckland Transport Board. Auckland Transport has also been engaged in providing information for the IMSB Tiriti Responsiveness Audit.

AT's contribution to Māori outcomes is outlined in the SOI 2017/18-2019/20 and the actions aligned to the Māori cultural, social and economic transformational shift.

AT demonstrates its contribution through engagement and collaboration with mana whenua on major transport infrastructure projects with the application of cultural practices, knowledge, design principles and economic opportunities. Mana Whenua are part of the decision-making process on projects. Mana Whenua also have an opportunity to tell their stories through projects and place making.

AT contributes to Māori social wellbeing through the road safety programme, engagement with Mana Whenua on roading strategies and providing safer access to Marae.

The detail of Auckland Transport's contribution to Māori outcomes are detailed in the following activity classes.

Project / Programme Category	Jul-Sep 2017 Spend \$	Maori Outcomes Contribution
<b>Te Toa Takitini Programme</b>		
Toa Takitini - Mana Whenua Signage	300	Ngati Rehua sign installed at Aotea (Gt Barrier) and Ngati Te Ata to be installed this month at Pukekohe. This brings to 6 the number of way finding signs that have been developed with Mana Whenua.
Toa Takitini - Te Ara Haepapa (Maori Road Safety Programme)	34,300	<p>Programme agreed and budget set, Maori Programme Manager focussed on developing relationship with Maori key Mana Whenua and Mataawaka communities.</p> <ul style="list-style-type: none"> <li>• Safer communities – Kura - E tu, E tiro, Whakarongo! Te pae whitinga rori – Crossings (zebras and Kea)</li> <li>• Alcohol – Taraiwa inu waipiro kore –Drive Drink Free!</li> <li>• Speed – Ata Haere - Slow down!</li> <li>• Restraints – Me Haumarū kit e Tuatahi – Safety First!</li> <li>• Young drivers –Raihana Akonga/Raihana Whiitiki – Learners and Restricted!</li> </ul>
Toa Takitini – Marae Roads Safety (Turnout) Programme	4,700	Te Kia ora Marae entrance exit upgrade completed by sub-contractor, NZ Transport Agency and Trustees signed off. Project Manager appointed to assist in options analysis for this year's programme.

Toa Takitini – Maori Wardens (Train Network)	145,200	Ongoing contract for security of people and assets.
Toa Takitini – Te Aranga-Te Reo-Matauranga-(tbc)		Scope of services agreed for audit and development of possible Te Reo (bi-lingual) programme; a key element in AT's Maori Responsiveness Plan. Initial work to be completed in the second quarter.
<b>Roads and Footpaths</b>		
Roads and Footpaths (general)	8,900	Initial engagement with Mana Whenua across a suite of projects
Roads and Footpaths - Supporting Growth	16,000	Matakana Link Road engagement, trial being implemented to test Mauri model application to the route selection process (Multi Criteria Assessment / MCA)
Roads and Footpaths - Street scape	4,700	Ōtāhuhu Town Centre and Federal Street engagement
Supporting Growth	30,900	Relationship development on the Programme, introduction of Maori specialist and discussion on the form / structure of the Programme, Hikoi x3 to Supporting Growth areas, North Western Bus way engagement,
AMETI	45,000	EB1 Mahi Toi and Mahi Taiao engagement, Mana Whenua artists procured, Mana Whenua urban design specialists procured, Archaeological (HNZ) application lodged with Mana Whenua support, Re-interment solution for koiwi from Stage 1 on-going
Glenvar Ridge Road	1,000	Mahi Toi Contract signed between AT and Mana Whenua to commence work on the Glenvar Ridge Mahi toi (Artwork).  Site visit with carver and construction manager to finalise location of the artwork and placement details, end of October targeted for artwork to be ready for installation.
<b>Public Transport and Other</b>		
Public Transport	6,000	Initial engagement with Mana Whenua across a suite of projects.
Regional Consents - CMA	800	Engagement
AT Sustainability Framework	1,900	Engagement
Maori Responsiveness - Te Waharoa	4,000	The initial stages of developing a data warehouse of Matauranga Maori information.

Walking & Cycling	55,200	<p>4 Pou completed for Waterview shared pathway, 3x Karakia and unveilings for each section, x1 to be unveiled. Collaboration with mana whenua Ngati Whatua, Ngai Tai ki Tamaki, Te Akitai Waiohua and Te Kawerau a Maki has led to outcomes that celebrate the landscape and cultural heritage of Te Auaunga and the surrounding area, through Mahi Toi response and engagement with iwi.</p> <p>Each bridge (x4) has a carved Pou whenua or mauri stone to capture the essence of the place.</p> <p>Other Māori design elements will be incorporated into the bridges as Mahi Toi at various locations along the shared path.</p> <p>X4 Engagement hui with Mana Whenua held to discuss the wider Programme.</p>
<b>Total</b>	<b>\$ 358,900</b>	

## 9. Key Local Board Issues

AT worked closely during this period with AC on the Governance Framework Review. The review looked at, among other things, possible delegations of transport functions to Local Boards. Senior AT staff, along with Board member Mark Gilbert, attended a number of meetings and workshops. Recommendations coming out of the review were unanimously approved by the Governing Body and endorsed by AT's Board. AT will report back on implementation of those recommendations within the next three months. AT will also be closely involved in working up a proposal to go forward as part of the Long Term Plan, which may see an increase in the Local Board Transport Capital Fund.

AT consulted individually with all 21 Local Boards on its proposed Roads and Streets Framework. Other key stakeholders including CCOs, NZ Transport Agency, freight sector representatives and mana whenua were also consulted. There was a strong level of support for the framework, which provides guidance on the design and technical specification for different roading typologies.

On 25 September 2017, Local Boards received a presentation on AT's quarterly report (progress against SOI targets). Some 25 Local Board members attended this briefing where there was also a session on AT's road safety programme. This is the third such quarterly update given to Local Boards; it is aimed at providing members with the same information that is reported to the Governing Body on a quarterly basis.



## 10. Risk Management

### Progress on current internal audit issues

#### Internal audit

In the first quarter of the 2017/2018 year, Risk and Assurance continued to work with senior management to implement a formal program of key risk assessment and in-depth analysis of each of the 12 key risks over a 12 month rolling period. These key risks are across a number of AT business areas including strategy, finance, procurement, major project delivery, asset management, technology and cybersecurity and health and safety.

During the quarter under review, Risk and Assurance has carried out a refresh of the key risks with senior management. Another two key risks were selected for detailed analysis and assessment. Risk and control attestation statements were obtained from executive management and this will be continued on a quarterly basis. Development of risk appetite statements for the key risks of the organisation is ongoing.

Risk and Assurance has delivered one Fraud and Corruption Awareness workshop this quarter and introduced a Fraud Risk Management Framework across the business. This programme of work is ongoing. Risk and Assurance is undertaking an update of AT's Risk Management Framework, a review of AT Risk Management Policies and Charters and introducing the Bowtie methodology for assessment of key risks.

Development of the 2017/2018 internal audit work plan is underway with several audits in key areas such as cyber security and health and safety included in the plan. The plan will be presented to the Finance and Risk Committee at its November meeting. A number of special investigations (i.e. unplanned work) are also in progress or have been completed.

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

#### External Audit

Audit NZ issued an unqualified opinion on the financial statements for the year ended 30 June 2017. The financial statements were part of the AT Annual Report which was released to the public on 29 September 2017.

The final Audit NZ management report highlighted the following recommendations:

- Work in progress and asset capitalisation
- Valuation of assets
- Requirements under the amended Construction Contracts Act
- Self-approval of invoices
- Source data availability

For the above items, management have confirmed the actions required to resolve them. Of the fifteen recommendations from the prior year, seven have been resolved by management, and the remaining items will be resolved by the end of December 2017.

#### 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 to the approaches taken to risk management, internal audit, or external audit.