

Auckland Transport

Quarter 2 Performance Report

For the period ending 31 December 2021

This report outlines the key performance of Auckland Transport which includes public transport, parking & enforcement, roads & footpaths related activities and investments

Auckland Transport (AT) Q2 summary

Highlights, issues & risks for the quarter

Highlights:

- Eastern Busway 1 (EB1), the first section of busway along the north side of Lagoon Drive and Pakuranga Road is complete and formally opened on 18 December 2021.
- Patronage recovered to approximately 50% compared to pre-COVID-19 pandemic (COVID-19) levels (December 2019) by mid-December.
- AT has agreed a three-year programme of delivery for the safety programme with Waka Kotahi New Zealand Transport Agency (Waka Kotahi), securing funds for the programme.
- Achieved a significant milestone for the Safe Speed programme. Tranche 2A, covering 600kms, has been consulted with over 8,000 public responses received.
- The West Coast Road project in Glen Eden has been completed, supporting road safety in the town centre. This was recognised as a national case study by Waka Kotahi.
- Renamed over 6,000 bus stops to match physical signage and changed the name of over 900 stops so bus stop names are more meaningful and easier to remember.

Issues/Risks:

- AT's full year operating result may be more than \$60 million adverse to budget, \$10 million higher than the \$50 million additional operating funding approved by AC in December primarily due to the ongoing impacts of COVID-19 on PT patronage. The continuing COVID-19 impact on patronage will likely also have a flow on impact into the next financial year (2022/23).
- As a result of COVID-19, AT is expecting to deliver a capital programme of circa \$650 to \$700 million, reflecting a natural slowdown in capital activity and delays to starting new projects largely due to planning related delays, cost escalations and supply chain constraints. AT is closely monitoring the emerging operating landscape and proactively working on mitigation action where possible.
- COVID-19 resulted in a 25% reduction in the asset renewals budget for 2020/21, as a result service level targets for footpaths and road pavements in acceptable condition were reduced to 90%.
- Asset condition assessments identified 93 active slip sites across the road network, additional slips have occurred due to recent storm events.
- Inflation is expected to impact both AT's operating costs and capital programme in the next financial year (2022/23)
- The combination of the above issues will require careful stakeholder management, particularly with regards to managing expectations around the slowdown in delivery.

Financials (\$million)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	252	363	↓ (111)
Operating revenue	452	518	↓ (66)
Operating expenditure	679	718	↓ 39
Net operating surplus	(227)	(200)	↑ (27)
WK capital co-investment	115	168	↓ (53)

Financial Commentary

- **Capital delivery:** Programmes and projects across the board are behind planned spend mainly driven by a COVID-19 related slowdown.
- **Operating revenue:** \$66 million lower than budget mainly due to lower than expected PT income and parking and enforcement revenue as a result of COVID-19 restrictions.
- **Operating expenditure:** \$40 million lower than budget mainly due to lower PT contract cost, contractor maintenance, unplanned facilities maintenance, AT delivered events and training, and advertising costs.
- **Net operating deficit** is \$26 million unfavourable to budget mainly due to the impact of COVID-19 restrictions on revenue.
- **Waka Kotahi co-investment** is \$52 million lower than budget mainly due to the lower capital spend due to the COVID-19 Alert Level 4 lockdown. 46% of the capital programme was funded by Waka Kotahi co-investment, full year budget assumption is 50% and full year funding is expected to be lower than 50%.

Key performance indicators	Previous Year	FY 22 Quarter 2		Status	Commentary
		YTD Actual	FY Target		
Total annual PT boardings	12 months to Sept. 2021: 60.75 million	12 months to December 2021: 50.42 million	82.00 million	Not on track	Due to ongoing COVID-19 restrictions and disruptions related to KiwiRail track maintenance, total PT patronage is not on track to meet the Statement of Intent (SOI) target for this financial year. Prior to COVID-19 annual PT boardings had peaked at over 100 million.
Boardings on the Rapid and Frequent Network (RFN)	-16.3%	Decreased at a slower rate than total boardings (-17.7% on the RFN vs. -17.9% for total boardings)	Increase faster than total boardings	Not on track	Rapid and Frequent boardings are decreasing slightly slower than total PT boardings. Both are decreasing by over 17.0%, likely due to increased working from home due to COVID-19 by those working in the City Centre, an area largely serviced by Rapid and Frequent services. This has been exacerbated by disruptions on the rail network.
Number of cycle movements past selected count sites	12 months to September 2021: 3.39 million	12 months to December 2021: 3.24 million	3.67 million	Not on track	Cycle movements past selected count sites have decreased by 11.4% on the previous year and were 23.1% below the monthly target to meet the SOI target. This reflects the impact of the COVID-19 lockdowns that began mid-August on cycle movements past the count sites. More generally, increased working from home due to COVID-19 has had a continued impact on this measure.
Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	12 months to June 2021: 536	12 months to September 2021: Increased by 91 (545)	Increase by no more than 70	Not on track	For the 12 months to the end of September 2021, local roads deaths and serious injuries increased by 91 to 545. Furthermore, local road deaths have increased from 24 last year to 53 this year and local road serious injuries increased from 425 last year to 492 this year. (Note: there is a three month lag on DSI data). The AT safety team have attributed these increases to lower police enforcement, alcohol and drug impairment, inappropriate speed and lack of restraint use.

Strategic focus area – Making Auckland’s transport system safe

Key commentary

Highlights

- AT has agreed a three-year programme of delivery for the safety programme with Waka Kotahi, securing funds for the programme.
- Significant milestones for the Safe Speed programme have been achieved this quarter. Tranche 2A, covering 600kms, has been consulted with over 8,000 public responses. Investigation of Tranche 2B, consisting of 1600 roads (1400kms), has been endorsed by the AT Board for consultation in early 2022.
- Initial review of Tranche 1 speeds has highlighted positive impacts for speed reduction and enhancement with a reduction in deaths and serious injuries.
- Completion of the West Coast Road project in Glen Eden, supporting road safety in the town centre. This was recognised as a national case study by Waka Kotahi.

Risks

- Ongoing delays caused by COVID-19 may slow down the delivery of the programme, however steps have been taken to mitigate this risk across the programme.

Strategic context

A Vision Zero Action Plan has been developed and approved by the Tāmaki Makaurau Transport Safety Governance Group. The Tāmaki Makaurau Road Safety Governance Group has, and continues to, put a strong focus on policing deterrence through their Operation Deterrence programme, Drive Calmer road safety campaign by AT and the speed bylaw consultation. In November we saw a positive increase in the number of operations targeting RIDS offences (restraints, impairment, distractions and speed).

Key programmes	Status	Description	Outlook
High Risk Roads and Intersections Programme	On track	<p>Deliver safety improvements to priority locations across the network including:</p> <ul style="list-style-type: none"> • 7 high risk roads and intersection safety improvements constructed in 2021/22. • 18 high risk intersections (investigation and design only) over the next three years. • 30 high risk locations, including bend and corridor treatments (investigation) 	<ul style="list-style-type: none"> • The sites for this financial year have been identified and are on track for delivery of design and construction. • The West Coast Road, Glen Eden project providing safety improvements in and around the Glen Eden Town centre has been completed. • Undertaken consultation for the Ash Street and Rata Street, New Lynn and Atkinson Avenue, Ōtāhuhu projects. • Begun implementation of the Royal Oak Roundabout improvements.
Safe Speeds Programme	On track	<p>The 2021/22 work programme includes:</p> <ul style="list-style-type: none"> • Investigate, consult and approve for delivery Tranche 2 of the programme. • Complete safety improvements in St Heliers town centre and commence Mission Bay town centre improvements (subject to consultation closeout). • Confirm preferred approach for Hobson Street, Nelson Street and Fanshawe Street infrastructure improvements and commence site work. • Based upon monitoring of Tranche 1 speed limit changes, commence any further engineering, education or targeted enforcement required to achieve safe speeds on these roads. 	<ul style="list-style-type: none"> • Public consultation on the first group of speed limit reviews under Tranche 2 of the programme (Tranche 2A) has been completed; over 8,000 submissions have been received which are now being reviewed for decision in early 2022. • Speed limit reviews for the next group of roads (Tranche 2B) have been completed with public consultation planned for March 2022. Tranche 2B includes over 1,400km of roads (19% of Auckland’s Network). • Safety improvement work in St Heliers town centre, which saw a reduction in speed from 50km/h to 30km/h in June 2021, was completed in November 2021. Town Centre prioritisation work has been completed with a plan to accelerate delivery. • Stakeholder meetings have been undertaken for Fanshawe, Hobson and Nelson Streets.
Red Light Camera Programme	Complete	Seven red light safety cameras to be delivered in 2021/22, completing the first programme of 42 cameras in agreement with NZ Police.	<ul style="list-style-type: none"> • The seven red light cameras programmed for delivery in 2021/22 were accelerated and delivered in 2020/21. All 42 cameras have now been delivered as per the agreement with NZ Police.
Pedestrian Programme	On track	Deliver new and improved crossing facilities across Auckland with 15 crossing facilities upgraded and constructed in 2021/22.	<ul style="list-style-type: none"> • So far 11 sites have been completed, and a further 13 sites are currently in the design phase for delivery in 2021/22.
Community Safety Fund	Delays	Complete the delivery of 40 remaining Community Safety Fund projects, to be delivered by the end of June 2022. Subject to RLTP funding, projects progressed with Local Boards will be delivered to provide improved safety for communities as identified by Local Boards.	<ul style="list-style-type: none"> • Due to complications of the Woodhouse Road project, the programme will now deliver 39 projects rather than the originally planned 40. Of the 39 projects, 35 are in construction primarily focused on pedestrian improvements in the region. The remaining four projects are to begin construction next calendar year, although delivery is likely to extend beyond June 2022 due to COVID-19 restrictions causing delays.
Road safety behaviour change	At risk	<ul style="list-style-type: none"> • Deliver road safety behaviour change programmes across high risk road safety themes and communities to support a reduction in DSI. 	<ul style="list-style-type: none"> • Continued support for communications regarding the rollout of the Speed Management programme for the second tranche of the speed reduction roll out. • The Te Ara Haepapa Team have delivered 26 Hapori Maori Community Based Interventions, 0 Checkpoints, 2 Events as well as 1 Ara Haerenga activations in kura. Events and checkpoints were impacted by COVID-19 restrictions. • Road Safety programme initiatives delivered impacted by COVID-19: 42 initiatives consisting of 40 community-based interventions online, 0 events, 0 checkpoints and 2 marketing campaigns (alcohol and motorcycles).
School Safety	At risk	<ul style="list-style-type: none"> • Continue rolling out the Active Travelwise schools programme to increase road safety awareness, active travel and PT use by school students. • Deliver initiatives (campaigns) that lower speed around schools and improve safety for walking/cycling to school. 	<ul style="list-style-type: none"> • Travelwise School and Walking School Bus programmes at risk due to COVID-19 restrictions limiting programme delivery. • 37 Travelwise Activities online only; cycle activities postponed. Scooter training sessions all postponed. • 8 Walking School Bus (WSB) online events. There are 273 active WSB across the region with 1 new bus from the last quarter.

Strategic focus area – Excellent customer experiences

Key commentary

Highlights

- We have made it easier for customers to personalise their journey requirements in AT Mobile, providing a better customer experience and reducing calls to the contact centre.
- We renamed over 6,000 bus stops to match physical signage and changed the name of over 900 stops with a new best practice naming convention, so the bus stop names are more meaningful and easier to remember.
- We delivered 'Airport Orange' wayfinding to help customers using PT to travel between the airport and city and made the low cost of using PT prominent to promote its use.

Strategic context

Better delivery of transport services, infrastructure and information by giving greater focus to customer needs and improving the customer experience.

Key programmes	Status	Description	Outlook
Responsive Customer Service	On track	Deliver responsive customer service experience	<ul style="list-style-type: none"> • The Contact Centre received 25,335 calls. 93% of calls were answered within 20 seconds and 74% of customers rated their interaction with our contact centre team as either 4 or 5 out of 5. • Average resolution time frames for formal complaints was 17 working days, LGOIMA cases 10 working days, and sensitive cases three working days. • AT raised 39,689 cases in response to queries from the public, elected members, and other stakeholders, a 27% decrease from the previous quarter due to COVID-19 restrictions on movement. • 0.57% of cases raised resulted in a formal complaint of which 73% were resolved within 20 working days. • The Customer Services Group continued to support communication to our customers about travelling during Alert levels 3 & 4 and the new traffic light system and maintained operating hours in our customer service centres (within the Public Transport network) and the contact centre (phone, written, social media, webchat).
Community Initiatives	Delayed	Improving road safety in the community, with schools and students to support modal shift.	<p>In October and November, 24 road safety events, activations and educational forums were run throughout the community targeting young and older driver groups, roadside education as well as speed, restraint and alcohol checkpoints.</p> <p>In the last quarter, the Te Ara Haepapa programme delivered 57 events and educational workshops focused on Kaihautū (drivers licensing), Whītiki (restraints), Waipiro me ngā Tarukino (alcohol and drugs), Pahikara (cycling) and Ara Haerenga (active modes in kura). 214 school events/activities were conducted.</p>
New Customer Experience Enhancements	On track	Providing innovative and customer-centred service enhancements	<ul style="list-style-type: none"> • Applied new names to over 6,000 bus stops to ensure that our digital channels like AT Mobile, Journey Planner and partners like Google Maps would use names that matched the physical signage. In addition, we updated over 900 stop names to use new naming conventions, prioritising interchanges, landmarks, major intersections and side streets with many now named after parks, schools, churches and tourist locations to make them simpler and more memorable for customers. These changes are based on international best practice. • We applied updated wayfinding signage in the new Puhinui Station including newly designed network maps to help current and visiting customers navigate across the city. We also improved platform signage with destination and route information and using line colours to help customers find the correct platform and provide a simpler, intuitive and visual guide. • Improved online top up and auto top up with a refreshed design, setting clear expectations on process and timeframes, providing customers with confidence that they have completed their task successfully. We found that c.50% of HOP-related calls to the contact centre were from people who had successfully completed the task online but were ringing to check. • We updated the 'Contact Us' website page with a new clearer design, promoting easy ways to contact us online or via live chat rather than our call centres.

Strategic focus area – Better travel choices for Aucklanders

Key commentary

Highlights

- Patronage growth has been severely impacted by COVID-19 and KiwiRail track maintenance activity.
 - Bus services – patronage has dropped -16.1% (12 months to December 2021).
 - Train services – patronage has dropped -24.6% (12 months to December 2021).
 - Ferry services – patronage has dropped -19.2% (12 months to December 2021).
 - Rapid and Frequent services – decreased by -43.0% (12 months to December 2021).
- The impact of the COVID-19 Delta variant and immediate implementation of COVID-19 Alert Level 4 restrictions in August saw a substantial decline to first quarter patronage, which continued through the second quarter. The implementation of the new community protection framework in early December saw patronage grow to approximately 50% (in comparison to pre-COVID December 2019) by mid-December.
- Network recast commenced to ensure fit-for-purpose network and services levels, improving services and network to meet new travel behaviours, reducing capacity at peak while increasing capacity off-peak to create an improved 20/7 network. This will support the response to changing travel behaviours, as well as improve working conditions for bus drivers by reducing split shifts.

Risks

- Ongoing, new and fluctuating COVID-19 restrictions mean patronage and fare revenue does not match budget, and patronage recovery is more difficult and prolonged.
- Patronage and fare revenue shortfall resulting in pressure to reduce service levels for short-term fiscal balance, creating a downward spiral of reducing services and reducing patronage, contrary to medium-term expectation that PT will improve, grow and be a critical tool to deliver medium-term transport and climate change outcomes.
- COVID-19 temporarily alleviated the ongoing issue with driver retentions; however this has escalated again due to low wages, closed borders and the social factors of bus driving. The ongoing bus driver shortage poses challenges for maintaining service delivery levels. AT has an independently facilitated Interest Based Problem Solving process, which is on-going to address the issues attributed to differences in employees' terms, conditions and training within the bus sector.
- Disruption across the rail network due to track and track related infrastructure works by KiwiRail continues to impact rail patronage. The anticipated line closures will impact patronage and ability to meet SOI targets.

Strategic context

Moving away from a city where the dominant mode of transport is by single-occupant private vehicle to a city where PT and walking and cycling play an important role, by improving PT services and travel options to increase patronage and mode share.

Key programme	Status	Description	Outlook
Mode Shift	Delayed	Deliver sustained mode shift from single occupancy cars to PT, active modes and flexi working to reduce congestion	<ul style="list-style-type: none"> • AT Mobile and Journey Planner enhanced to integrate the AT Local on-demand service when journey planning. This functionality was added to ensure that customers in the AT Local trial area of Papakura/Takanini can plan journeys after removal of a fixed bus route. AT Local will show in journey results when the trial launches later in 2021 after delays due to COVID-19. • The website Journey Planner has added the option to search for walking and cycling journeys, matching the capability of AT Mobile. In addition, new ways to customise journey results have been added to help customers find journeys that suit them. We've seen a 29% increase in customers using this capability after improving the user interface. These changes improve the customer experience and will result in less calls being made to the contact centre as customers can now find the information, they need for themselves. • Delivered a new bus stop design for the Airport Link bus at domestic and international terminals, including new digital real time displays, wayfinding to nearby AT HOP retailers, and permanent advertising screens showing the Adult AT HOP fare. This will help customers feel more confident to take PT and promote the benefits of PT travel to and from the airport. • The new employer subsidised AT HOP card trial currently has four businesses (620 staff), with a fifth to go live later this year. Total trips were nearing 6,000 per month pre-COVID-19 Alert Level 4. • To support the roll out of CCTV cameras in special vehicle lanes we ran a regional wide campaign (combination of video, social media, bus and radio advertising) to educate on correct lane use and increase appreciation of their benefits. The campaign was very successful reaching 384,000 people on Facebook and 314,000 people on YouTube, achieving 360,000 completed videos and over 10,000 visits to the website with all social posts receiving very high engagement. The material will continue to be used in targeted tactical activity as we roll out CCTV cameras. • Focused on maintaining customer confidence around the safety aspects of our services for those still travelling (mask, scan in, regular cleaning procedures). • Fully integrated campaign focused on encouraging most people biking more often launched in market and will continue through to late March.

Bus Priority	On track	New and extended hours of bus priority on key corridors to improve customer journey times	<ul style="list-style-type: none"> 2.4 km Te Atatu Road South: public consultation closed with over 400 responses received. 800m Te Atatu Road North: public consultation closed with over 400 responses received. 700m East Coast Road, Sunnynook: designs approved, construction planned for late 2021. 450m Raleigh Road, Northcote: Procurement for the physical works package contract has been delayed due to an unavoidable conflict with other major AT procurements. Physical works is now scheduled to commence April / May 2022 and complete in September 2022. 400m T2 lane Sunnybrae Road, Hillcrest: Resource consent for trees removal approved by AC. Construction expected to start in February/March 2022 and complete by June 2022.
Double decker (DD) mitigation works – Phase 2	Partially delayed	Mitigating works on key corridors for double decker implementation increasing PT capacity – corridor clearance, GIS mapping of compliant routes, ongoing corridor maintenance	<p>Phase 2:</p> <ul style="list-style-type: none"> Continuing clearance of diversion routes paths. Working through the business case for new routes
Rail pedestrian gating works	Partially delayed	Pedestrian level crossing gating across the rail corridor improving pedestrian safety.	<ul style="list-style-type: none"> Phase 4A – retrofit of magnetic locks at five existing automatic gates: funding confirmed for 2021/22. Phase 4B – concept design for further seven sites: design funding confirmed for 2021/22 and construction funding confirmed for 2022/23.
New network implementation Waiheke	On track	Infrastructure enablement and operator implementation	<ul style="list-style-type: none"> There are four Active sites in this Package, with one site in construction, two sites in Design stage and one site in Landowner Transfer Process.
Train station ticket gating	Partially delayed	Installation of ticket gating at Middlemore, Papakura and Parnell	<ul style="list-style-type: none"> Middlemore station gating design is complete – west side completed and in commissioning phase.
Value for Money reviews	On track	Metro instigated a number of service frequency changes under the 'Value for Money' process. This process is stipulated by the Regional PT Plan	<ul style="list-style-type: none"> Run time reviews are ongoing and service enhancements that are not specific for infrastructure enablement have been paused with the COVID-19 resurgence and the requirement to be fiscally cautious due to funding constraints.
Minor Cycling (Pop Up Protection) Programme	On track	Upgrading existing painted infrastructure on the Cycle Network to separated facilities using a quick delivery approach. Programme will focus on an adaptive approach to complement existing/proposed cycle and micro-mobility infrastructure/programmes and operational challenges on the Network.	<ul style="list-style-type: none"> The AT Board has approved the accelerated delivery of the pop-up cycle programme from five to three years. The focus of the 2021/22 financial year is to deliver around 17 kms of protection to separate on-road painted cycleways. Reactive cycle parking programme and micro-mobility parklets will recommence in 2022.
Cycling campaigns and training	On track	<ul style="list-style-type: none"> Deliver events, trainings, campaigns and activities that promote cycling and cycle safety. Deliver cycle skills training to school students. 	<ul style="list-style-type: none"> Due to COVID-19 restrictions, 52 school students received Grade 1 training (basic riding and safety skills) and no students received Grade 2 training (on road cycle safety). (YTD 1,269 students received Grade 1, and 208 students have received Grade 2). One school was able to open their Bikes in Schools (BiS) track this quarter taking the total to 29,717 school students with access to a Bikes in Schools track. No schools received teacher training this quarter due to COVID-19 restrictions. (YTD total of 66 BiS schools and 45 teachers receiving teacher training). Supported Eco-Matters to run three bike hubs. 1,489 visitors, 689 bikes were fixed and made safe for riding, and 159 bikes distributed. Supported Bike Auckland to coordinate and grow the Bike Burbs. This quarter the membership grew by 576 members to a total of 14,105. Due to COVID-19 restrictions, no community events, Adult Bike Skills or Kids Learn to Ride courses were able to be delivered in this quarter. Delivery of these courses will commence again in February 2022 if allowed under COVID-19 restrictions.

Strategic focus area – Better connecting people, places, goods and services

Key commentary

Highlights

- Eastern Busway 1 (EB1), the first section of busway along the north side of Lagoon Drive and Pakuranga Road is complete and formally opened on 18 December 2021.
- The Alliance delivering Busway Stages 2, 3 and 4 concluded public consultation in December 2021; the Project remains on track to maintain the Project Alliance Agreement (PAA) signing in Quarter 4 of 2021/22. Recommendation to progress with the Botany Station at Botany Town Centre as the technically preferred option was endorsed by the AT Board on 9 December 2021.
- Progress is being made on Matakana Link Road which remains on track to be completed prior to the opening of Waka Kotahi's Puhoi to Warkworth motorway.
- The Mangere West Cycling Improvement project will commence collaborative design workshops when COVID-19 restrictions permit.

Risks

- Further delays to physical works due to ongoing COVID-19 restrictions and lag impact to supply chain and cost escalation.

Strategic context

Providing new transport infrastructure on the rapid transport network (RTN) that forms the backbone of the PT network, and also through infrastructure that optimises the performance of the existing network, supports urban development and enables new housing in greenfield areas

Key programmes	Status	Description	Outlook
Eastern Busway 1: Panmure to Pakuranga (AMETI)	Delayed	First section of busway, along the north side of Lagoon Drive and Pakuranga Road and upgrade of the Panmure roundabout. Contains 27 retaining structures, 3.2km of Roading improvements, 2 pier, 3 span steel girder bridge over the Tamaki Estuary.	EB1 has been impacted/delayed by two months due to COVID-19 restrictions. The project was officially opened on 18 December. Work on the Mokoia Pa and Swing Bridge projects are continuing and will be complete in 2022.
Eastern Busway 2, 3 & 4: Pakuranga to Botany Busway and Flyover	On track	The Pakuranga to Botany stage of the AMETI Eastern Busway including the Reeves Road Flyover and Botany Interchange.	Public consultation on the proposed design for Eastern Busway concluded on 10 December 2021. There is individual and organised opposition to the proposals for the EB3C section through the Burswood residential area; a full analysis and report is being completed. The implementation of the revised strategies to complete the development of the Target Outturn Cost and Consultation will ensure the project remains on track for targeted PAA date of the fourth quarter 2021/22. While additional funding has been confirmed verbally by the Minister, the method of transfer has yet to be decided; it is envisaged that realisation of the funds will avoid the necessity to stage the project. However, due to global supply chain and local resourcing issues, indications are that market pricing in the industry is likely to be up to 20% higher than anticipated. Strategies to mitigate the risk are under development.
Matakana Link Road (MLR)	Delayed	New road infrastructure to support the Waka Kotahi Puhoi to Warkworth SH1 redevelopment.	Bridge construction and utility service installations continue. There are two developers who have resource consent applications to develop land that adjoins MLR. The project team is in discussions with both developers on integrating their works within the MLR works where feasible. COVID-19 Alert Level 4 has impacted the forecast completion date by 6-8 weeks with completion forecasted for May 2022. This remains ahead of the Waka Kotahi Puhoi to Warkworth motorway, and MLR will open when the stretch into SH1 is completed – timing is being confirmed with Waka Kotahi.
New cycleways	On track	Complete 12.8km of new and upgraded cycleways. SOI target includes kilometres of safe cycleway added or upgraded that is located on Cycle & Micro-mobility Strategic Network.	<ul style="list-style-type: none"> • We are on track to meet the annual target. • Tamaki Drive has completed the Northern Section between Solent Street and the Strand. Work is underway to complete the Southern section by the end of January 2022. • Work continues in earnest on the completion of two Urban Cycleways Programme (UCP) projects, Tamaki Drive (2.3km) will be completed at the end of January 2022 and New Lynn to Avondale (2.9km) will be completed in early April 2022. Both projects have been impacted by COVID-19 restrictions, however both are due for completion next quarter. • Remaining UCP projects are progressing through the design phase and will seek consultation next quarter and start construction in 2022/23. • Construction due to start on GI2T Stage 4 in February 2022. Consultations for Links to Glen Innes launched in early December for six weeks. • Construction is due to begin on Taniwha Street cycleway in February 2022.
Walking and New Footpaths Programme	On track	<p>Deliver new and improved footpaths across Auckland (subject to funding).</p> <ul style="list-style-type: none"> • Revision of new footpaths prioritisation criteria completed in 2021/22 and full footpath request list reprioritised. • 12 new footpaths will be upgraded and/or constructed across the region in 2021/22-2023/24, including the North - Western Dual Path. These will be prioritised and scheduled for delivery according to the new criteria. 	<ul style="list-style-type: none"> • The New Footpath reprioritisation methodology has been communicated to Local Boards and reprioritisation is underway to be completed by the end of the financial year. • AT allocated additional funding to construct five additional footpaths on Muriwai Road, Waimauku; Davis Crescent, Newmarket; Hibiscus Coast Highway, Orewa; Third Avenue, Beachlands and Huia Road, Parau. • The North Western Dual Path has started construction with active communications to local residents and stakeholders.

Strategic focus area – Enabling and supporting growth

Key commentary

Highlights

- AT and AC have applied for Infrastructure Acceleration Funding for the Carrington Road projects.
- AT, Waka Kotahi and KiwiRail are working collaboratively on the NZ Upgrade Programme Mill Road reallocation of funding.
- Collaborative work with Council family on funding and financing requirements for Drury based on the proactive opportunity via Supporting Growth Programme, highlighting network requirements and costs.
- Joint delivery model with Waka Kotahi has been investigated to deliver the joint programme of works proposed in the Single Stage Business Case (SSB).

Issues/Risks

- Central Government intensification legislation – inability to support existing brownfield developments with necessary infrastructure, exacerbated by Central Government supply plans
- Unprecedented pressure from greenfield private plan changes and significant funding gaps
- Delivery risk with delays to programme delivery resulting from COVID-19 has impacted on Network Optimisation programme delivery

Strategic context

Enable and support Auckland's Growth through a focus on intensification in brownfield areas and with some managed expansion into emerging greenfield areas.

Key programmes	Status	Description	Outlook
City Rail Link	AT elements On Track	<ul style="list-style-type: none"> • Ensure the CRL assets are fit for purpose • Support the efficient CRL delivery • Ensure AT readiness for Day 1 CRL opening • Minimise the disruption of CRL construction 	<ul style="list-style-type: none"> • Successful reopening of Wellesley Street with improved travel times and 10-20% increase in patronage on buses since reopening. • Installed enhanced customer communication at Britomart to inform passengers of ongoing and future disruption. • Britomart CPO successfully opened to the public. • Agreed the Concept of operation and Concept of maintenance with KiwiRail and Link Alliance setting out the high-level processes and roles and responsibilities for the future operation of the Railway.
City Centre Bus Plan	Partially delayed	<ul style="list-style-type: none"> • Progress plans to convert Customs and Wellesley Streets into a transit mall. • Identify preferred site for Downtown East and Wynyard Quarter Bus facility. • Develop plans for Learning Quarter bus facility. 	<ul style="list-style-type: none"> • Indicative Business Case (IBC) is underway but delivery will be delayed to late 2022 due to lack of resource. • Wellesley Street proposals have been consulted on and set for delivery by 2024. • Preferred site identified for Wynyard Quarter bus facility. • Learning Quarter and Downtown east facilities will be identified through IBC process.
Access for Everyone (A4E)	On track	Commencement of A4E business case and Queen Street pilot.	<ul style="list-style-type: none"> • A4E Programme Business Case drafted in conjunction with AC and Waka Kotahi. Approvals processes underway. • Scoping of a range of A4E workstreams is underway, such as a city centre-wide Comprehensive Parking Management Plan, and Servicing and Loading Plan, as part of enabling these supporting workstreams to better achieve A4E outcomes.
Future/Existing Urban Growth Areas	On track	<ul style="list-style-type: none"> • Through Supporting Growth Alliance continue working with Waka Kotahi, AC, KiwiRail to progress route protection for important future strategic transport networks. • Work with Crown Infrastructure Partners and other agencies to continue to consent and accelerate delivery of transport projects in Wainui. • Continue working with Kainga Ora, AC and Crown to progress infrastructure planning and development sequencing for existing urban areas experiencing significant development. 	<ul style="list-style-type: none"> • Drawdown of the Housing Infrastructure Fund for Redhills and North West Business Case approved by AT's Board in December 2021. • Drury Arterials designation hearing held in December 2021. Drury West station design to be lodged early 2022. • Major engagement on the North West, North and Warkworth planned for early 2022. • NZUP – key Ministerial decision expected in March on allocation of funds for Mill Road and Drury arterials, including delivery agency. • Wainui/Milldale – Wainui Bridge over SH1, Argent Lane and Dairy Flat Highway consented, property being obtained, and construction expected to commence in 2024. • Confirmation of Kainga Ora and AT Large Scale Project Areas business case by Minister of Housing expected in March to enable alignment of forwards work programme. • Preparation of application material for Carrington Road Infrastructure Acceleration Fund bid provided to AC for lodgement.
Parking Programme	On track	<ul style="list-style-type: none"> • Complete delivery of at least two new residential parking zones. • Transform at least 500 parking spaces into paid parking. • Implement higher tariffs at parking metres. • Commence a trial for Park & Ride charging to manage demand and support public transport revenue. • Continue the installation of CCTV enforcement zones in Special Vehicle Lanes. 	<ul style="list-style-type: none"> • Two new residential parking zones, Kingsland and Herne Bay, are on track for delivery. • Over 500 new paid parking spaces are on track to be transformed into paid parking during 2021/22. • Completed the AT Residential Parking Permits Evaluation. The recommendations will feed into the parking strategy review. • The trial of charging at Park & Ride facilities (Albany and Constellation Drive) is not yet in effect as the Parking Strategy Review relating to the current SOI is still underway. This is likely to happen in the fourth quarter. • The Special Vehicle Lane delivery schedule for 2021/22 is on track with implementation planned for December 2021 onwards. This includes 23 zones that rolled over from 2020/21 and 48 new zones.
Connected Communities	Delayed	Connected Communities aims to improve safety, productivity and people carrying capacity of the road network by investigating, designing and delivering bus priority, safety and cycling and walking improvements on key arterials.	<ul style="list-style-type: none"> • Great North Road (Newton) upgrade: Public consultation on the preferred design was completed. The detailed designs are complete, and procurement of construction services is to commence in early 2022. • New North Road / Symonds Street corridor SSB: Undertaken community collaboration panels. Public consultation planned early 2022. • A review of the remaining programme corridors is being undertaken.

Strategic focus area – Improving the resilience and sustainability of transport system

Key commentary

Highlights

- The AT Board approved the first AT Environment Action Plan: Hiikina te Wero. The Action Plan establishes five targets to be delivered over a nine-year period.
- Work has commenced on the development of the 2024 AMP, including agreeing interim AMP deliverables with AC as part of the CCO Review Recommendations.
- Monitoring and reporting of AT's Asset Management maturity continues with Waka Kotahi Technical Audit booked for the end of January and the annual independent review complete by end of March.
- The procurement strategy for the review of professional services has been endorsed by the Procurement Team with retendering to be staggered throughout the 2022 calendar year.
- AT continues to collaborate closely with AC with the Urban Contaminant Removal Programme for stormwater quality improvements, fish passage improvements, street tree planting and unsealed road management opportunities.
- The Unsealed Road Improvement Framework is complete, and a new prioritised list of improvement sites has been shared with Local Boards, considering a wider range of improvement works such as road widening, safety improvements, pavement strengthening, drainage, surfacing improvements and seal extensions.
- Asset condition inspections have resumed post lockdown and ways to overcome lost time and complete the programme of this year's inspections are being pursued.
- Design Review process and SME squad was launched at the end of September 2021 ensuring that all new AT capital work is reviewed to ensure compliance with the Transport Design Manual and AT/AC objectives. A continuous improvement process for design (similar to the asset management maturity process) is being investigated.

Risks

- COVID-19 resulted in a 25% reduction in the asset renewals budget for 2020/21, as a result service level targets for footpaths and road pavements in acceptable condition were reduced to 90%.
- Asset condition assessments have identified 93 active slip sites across the road network, additional slips have occurred due to recent storm events across the network. Active slip site numbers are actively tracked and have increased inspections and monitoring frequency by structural / geotechnical specialists. There is no dedicated AT RLTP funding for reactive work associated with slips (generally funded as needed as emergency work after the event). As such, active slip sites are prioritised for remediation as budget allows based on the criticality of the road impacted.
- A review is being undertaken on legacy inspections of structural assets spanning 10 years to confirm that previously identified remedial works have been completed or are programmed for action.
- Detailed Seismic Assessment of transport related structures is ongoing. Where 'earthquake prone buildings' are identified the public will be notified in accordance with the Building Act requirements and AC protocols.

Strategic context

Managing the \$22 billion portfolio of transport assets (roads, footpaths, cycleways, streetlights, traffic systems, carparks and PT assets), in alignment with global best practice (ISO 55001 and International Infrastructure Management Manual).

Key programmes	Status	Description	Outlook
Renewal Forward Works Programme (FWP)	On track	Programme of renewals and maintenance works for roading, structures and PT assets.	2021/22 Carriageway asset renewals have all been dispatched and contractors will deliver the programme as capacity allows following lockdowns. Three-year renewal forward works programmes have been prepared for all asset classes, road network, transport structures and PT assets.
Asset Condition Inspections	On track	Condition inspections of roads, structures and PT assets.	Programmed condition inspections and rating of assets have resumed. Work is underway to overcome the lockdown delays with the aim of completing all the condition inspections programmed for the year. A review of the existing asset management professional services contracts is currently underway. Industry Feedback along with AT staff experiences will result in improvements to these contracts starting from 2022.
Unsealed Road Improvement Framework	Operational	Strategy and Programme development of our unsealed roading network.	The Unsealed Road Improvement Framework is being embedded within AT. The initial one year programme has been communicated with both internal and external stakeholders including affected Local Boards. A further prioritised list has been reviewed and is available on our website. The delivery of the Unsealed Road Improvement Programme commenced October. An Unsealed Road Steering Committee has been formed which involves AC (Wai Ora and Environmental teams), Ngati Manuhiri, Department of Conservation and AT.
Asset Management Planning	On Track	Development of AT's 2024 Asset Management Plan (AMP)	Work has commenced on the development of the 2024 AMP with a key focus on addressing AT's asset data quality as well as key metrics (including peer benchmarks) to be used to support the programme and improving the asset-needs evidence base required by Waka Kotahi. Interim AMP deliverables have been agreed with AC as part of the CCO Review Recommendations.
Asset Management Maturity Assessment	On Track	Uplifting AT's Asset Management maturity toward ISO 55000	Independent review of AT's Asset Management maturity targeted to be completed end of March. The scope of this review will follow best practice, International Infrastructure Management guidelines. In the interim the Asset Management team will continue to monitor and report
Design Review Panel (DRP)	On track	Streamline Design Review process to ensure assets meet Transport Design Manual standards.	Design Review Panel has moved from a testing state to an operational state. SME squad are reviewing projects on a weekly basis with the panel meeting fortnightly. The team have reviewed 80 projects over the past three months and referred only five to the DRP for mediation. Q3 2021/22 will be spent refining the process further and clarifying how the less complex projects will flow into the system.
Transport Chapter for AC Code of Practice	Delayed	Implementation of the Transport Design Manual (TDM) into the AC Code of Practice for Land Subdivision	AC Regulatory Engineering have agreed with the content of the document, and it is with AC EITS to brand to align with the rest of the AC Code of Practice for Land Subdivision. This document is essentially a cut down version of the TDM dealing with the compliance matters while referring design requirements to the TDM. This will ensure complete alignment between AT and Third Party users when designing new work.
Environment	On track	Environment Action Plan goes to AT Board Dec 2021.	The AT Board approved the AT Environment Action Plan: Hiikina te Wero in December 2021. The Plan establishes five targets, to be delivered over the next nine years. In November and December 2021 AT opened the first two living bus shelters in NZ. The shelters are part of a trial, contributing to ATs climate adaptation response.

Climate Change

AT's Greenhouse Gas (GHG) Emissions Performance

In the July-September 2021 quarter, greenhouse gas emissions from AT's operations and assets fell 10% below normal (provisional result). This reduction is similar to that seen during COVID-19 Alert Level 4 in 2020. AT's operations and assets include parking and public transport facilities, street and traffic lights, trains, and corporate activities (e.g., office buildings and staff travel). AT is on track to meet its reduction target of halving its 2018 emissions by 2030.

AT was a finalist in the Toitū Brighter Future Award for Climate Action. Being a finalist acknowledges the demonstrable impact we are having on reducing emissions. Toitū is New Zealand's leading greenhouse gas auditor and certifier.

Transport Emissions Reduction Plan (TERP)

AT continues to support the AC led Transport Emissions Reduction Plan (TERP). In early December, AC staff updated the AC Environment and Climate Change Committee (E&CCC) on TERP progress. The Committee requested a series of early actions to run parallel to TERP. In March, information on these early actions will be reported to the TERP Reference Group. AT is leading this work with input from AC staff.

Supporting Electric Vehicles Strategy and Business Case

AT is developing its strategy and business case on how to support the accelerated uptake of electric vehicles. The business case, once approved, will access investment allocated in the 2021 Regional Land Transport Plan. The strategy is anticipated to be completed in mid-2022 and the business case in late 2022.

Reducing emissions from the bus fleet

In November, NZ Bus ordered 152 electric public buses in Australasia's biggest electric bus order. These buses will reduce greenhouse gas emissions from the AT Metro bus fleet by approximately 11% per year (relative to 2019) – almost 10,000 tonnes of carbon dioxide annually.

Reducing emissions from asset construction

Road corridor maintenance contracts now have sustainability targets in place, and a data collection and reporting system is being used to monitor performance.

A long-term reduction target for emissions from construction projects continues to be developed.

Impacts of Climate Change

In the first half of 2022, addressing the physical risks of climate change to AT's customers, staff, services, and assets will be incorporated into policies and processes. Climate change's non-physical or transition risks (e.g., reputational, legal, and carbon price impacts) will be reassessed and prioritised over the next few months. This work will support the Council-family approach to climate change risk and disclosure.

Internal Governance

The first Executive-level sustainability Enterprise Portfolio Steering Group (EPSG) session was held in mid-November. The monthly EPSG will monitor progress towards sustainability targets, making decisions to ensure progress remains on track.

CCO review implementation

Context

The key recommendations from the review specific to AT were that the organisation should focus on:

- Improving collaboration with AC on transport strategy and bylaws; and
- Improving the way it consults and implements small projects.

Work with AC and CCO colleagues has:

- Determined a prioritisation framework for recommendations to ensure a consistent approach; and
- Identified which recommendations AT will lead on behalf of AC and the CCO group.

A fortnightly meeting of the CCO CEs has been established for the specific purpose of discussing delivery on the recommendations. Senior executives have been appointed from AT, Panuku, Watercare and AC to lead the specific programme of work at their respective organisations.

Q2 implementation progress

- Further progress has been made across the majority of recommendations being led by AT. Of note:
 - Recommendation 5 (bylaws): AT and AC staff have established a joint project team to clearly delineate bylaw-making powers between the two organisations. Current and future state analyses have been completed and the next steps are to finalise the drivers for change and actions to be undertaken. Completion of work for this recommendation is expected by the end of December 2021.
 - Recommendation 6 (small projects): AT undertook a design sprint to review its project development processes for small projects. Work is progressing to implement the improvements. A design sprint is being prepared to look at opportunities for speeding up delivery and managing the effect on customers from temporary traffic management on construction sites.
 - Recommendation 7 (funding): The Waka Kotahi board has approved an increase in the threshold for AT to approve National Land Transport Fund funding for its own projects from the current \$5 million threshold to \$15 million. A new Delegated Funding Agreement was signed in August 2021. The Waka Kotahi board has also indicated that it supports the proposal for programme-based funding approvals (e.g. for the safety programme, or new PT services). A draft Memorandum of Understanding has been prepared to cover the process for ensuring AT receives its targeted National Land Transport Fund allocation and for substituting projects if required.
- The establishment of a programme lead function, which will include governance oversight of the recommendations as part of its role, has been confirmed as part of recent organisational changes at AT. A contract staff member has been appointed to this role effective 20 September 2021. Recruitment for a permanent appointment to this role continues. A programme specialist who will support the work undertaken by the programme lead was appointed in November 2021.

Outlook

Next steps:

- Complete work on recommendation 5 (bylaws).
- Confirm details of programmes for programme-based funding approvals with Waka Kotahi (recommendation 7).

Continue recruitment for a permanent programme lead to provide governance oversight of AT recommendations.

Other Statement of Intent Focus Outcomes

Mana whenua engagement

AT contributes to mana whenua engagement through forums for operations and governance matters. Project Fora are held across various rohe on a fortnightly basis, focussing primarily on resource management matters.

- Candia Road footpath extension
- Connected Communities
- Eastern Busway 1, AMETI
- Eastern Busway Alliance
- Glen Innes - Tamaki
- Great Barrier Island - Blackwell Culvert Bridge and Cowshed Bridge
- Kepa Road Retaining Wall
- Māngere West Cycling Improvements - Project update
- Manukau and Māngere East Cycling SSBCs Discuss draft MCA results
- Manukau and Māngere East Cycling SSBCs Discuss emerging preferred options and feedback from the CPWG hui
- North – Urgent Road Subsidence and Slips Repairs
- Northwestern Bus Improvements Programme - Westgate Bus Station Project
- Papakura Park & Ride West Car Park
- Parnell Station
- Pt Chevalier to Westmere cycleway- iwi consultation
- Rural Marae, Safe Speeds
- Southwest Gateway Programme – Early Deliverables
- Tamaki Drive Road - Northern Footpath and Handrail Renewal Project
- Te Mahia Station works: Feasibility study for a pedestrian/cycle bridge linking Waiata Shores to Wattle Downs
- Tranche 2, Safe Speeds
- Walking & Cycling Programme: New Lynn to Avondale Project
- Wellesley Street Bus Improvements Stage One

• Road safety programmes – Māori drivers, passengers and pedestrians (Māori Business, Tourism & Employment, Realising Rangatahi potential)

In this reporting period the Te Ara Haepapa, Māori Road Safety team delivered 42 activations, events, hui and educational workshops with 170 engagements in November 2021. All deliveries were pivoted to online delivery due to COVID-19 restrictions.

• Marae safety programme

- Te Aroha Pa: The carpark has been completed.
- Motairehe Marae: Construction has been put on hold until March due to supply issues and COVID-19 restrictions. This project will be completed by June 2022.
- Hoani Waititi: The contract for construction has been awarded in December 2021. Construction commences in January 2022.
- Kia ora Marae: The Investigation Report has been completed. Concept design discussions have commenced that will inform the Detailed Designed Phase.
- Whatapaka Marae: An initial Investigation report is underway but was stalled due to COVID-19 restrictions and at the request of the marae. Work has recommenced.

• Te reo Māori across the transport network

Te reo Māori is being progressively implemented across the PT network and on signage relating to infrastructure projects. Bilingual announcements have been installed at Britomart, Papakura, Pukekohe, Manukau, The Strand, Swanson and Onehunga. The bilingual recordings of 6,106 bus stop announcements, transfer messaging and sense of place storytelling have been completed. There will be a roll out of up to 50 buses with full bilingual audio messaging with information for bus stops, transfers and sense of place by June 2022.

• Te reo Māori internally

The AT Technical Design Manual is being reviewed and updated to include bilingual signage. This is due to be completed by June 2022 due to delays from COVID-19 restrictions.

• An Empowered Organisation

- Ngā Kete Kiwai Māori Learning and Development Programme consists of four workshops: Tuia Ka Mana Māori - Māori Responsiveness & Outcomes, Te Tiriti o Waitangi ki Tāmaki Makaurau - The Treaty of Waitangi, Te Reo Māori & Tikanga - Māori Language and Customs and Te Tiriti o Waitangi ki Tāmaki Makaurau. There were 30 staff attendances at these workshops. There were 25 staff who graduated from the Ngā Kete Kiwai programme by completing all four workshops in 2021.
- Translations: there have been 10 translation requests that include wayfinding, announcements, naming of strategic documents, bus stop naming and other bi-lingual signage.

Other Statement of Intent focus areas

Enabling and enhancing AT's culture and capacity

- **Diversity, Inclusion and Equity**

- Continued progress towards our key diversity and inclusion goals of having 40% female representation in senior leadership roles (currently sitting at 33%) and doubling our Maori and Pasifika workforce (currently sitting at 4% and 6.5% respectively) by 2023.
- We have gained Gender Tick accreditation and continue to hold accreditations for the Rainbow and DV Free ticks.
- 14% of all leaders have attended unconscious bias and 27% of employees have attended at least one of the Ngā Kete Kīwai programmes.

- **Wellbeing**

- AT launched an updated Hauora/Wellbeing programme in partnership with Mentemia. Hundreds of our people have attended and accessed various seminars, learning experiences, talks and online tools focussed on mental health and wellbeing.
- Our internal 'Thriving Index' continues to sit positively at 78%.
- We refreshed our 'Speak up' programme this quarter to make it simpler, more accessible and give our people more options to raise concerns.

- **Leadership**

- Over 120 AT leaders have had Life Styles Inventory (LSI) (360) feedback, coaching and development actions.
- We have built and will be ready to launch the inaugural Leading at AT programme targeting all AT leaders in foundational leadership skills.
- 40 AT employees (out of 80 applications) have begun the inaugural AT Future Women Leaders programme and four of our people have graduated from the Pasifika Niu Leadership programme.

- **Capability**

- As part of our internal Whirinaki programme we have started our 'AT Change Makers' programme, starting with a focus on connection to encourage greater internal collaboration. It will be delivered virtually across a series of events, workshops, and team challenges.
- The Learning team have developed a number of business critical online / virtual development models including Sustainable Procurement, Creating Exceptional Customer Experiences and a pilot of Serving Customers with Disabilities.
- We have continued to evolve our new ways of working with the establishment of an Adaptive Practice supporting teams with new agile working methods.

- **Talent and People Experience**

- We have recruited 33 new Graduates into our Nga Kaihoe programme. This programme won best diversity and Best Innovation at the 2021/22 NZAGE Awards.
- AT has sublet one level of 20 Viaduct Harbour Avenue in response to hybrid / flexible working and also as a cost saving initiative

Auckland Transport Q1 financials



Key financial metrics

(\$ million)		FY 21	FY 22 Quarter 2 YTD			FY 22
	Notes	Actual	Actual	Budget	Variance	Budget
Net surplus/(deficit) from operations	A	(277)	(227)	(200)	(27)	(419)
Operating revenue	B	1,068	452	518	(66)	1,079
AC operating funding (CCO only)		389	177	177	-	380
NZTA operating funding		415	189	183	6	368
Fees & user charges		213	64	132	(68)	280
Other direct revenue		51	22	26	(4)	51
Operating expenditure		1,346	679	718	39	1,498
Employee benefits		142	78	77	(1)	157
Grants, contributions & sponsorship		-	-	-	-	-
Other direct expenditure	C	787	383	423	40	886
Depreciation		388	203	203	0	426
Interest expense		29	15	15	-	29
Capital revenue		917	365	502	(137)	1,095
AC capital grant (CCO only)		355	125	193	(68)	404
NZTA capital co-investment	D	318	115	168	(53)	406
Vested assets		189	113	139	(26)	
Other Capital Grants		55	12	2	10	10



Financial Commentary

A: The year to date net deficit from operations is \$227 million, \$27 million unfavourable to budget. The unfavourable variance was mainly due to the impact of COVID-19 restrictions on revenue.

B: Operating revenue is lower than budget driven by:

- PT income is unfavourable to budget due to lower than expected patronage due to COVID-19 restrictions. PT patronage decreased from 73% in July to 7.1% of pre COVID-19 levels in September but is recovering and has increased to 44% of pre COVID-19 levels in December. Waka Kotahi have confirmed that they will fund 51% of the shortfall due to COVID-19 this financial year.
- Parking and enforcement revenue is unfavourable to budget mainly due to lower occupancy and infringement ticket issuances as a result of COVID-19 restrictions and delays in the implementation of the next tranche of special vehicle lanes.

C: Other direct expenditure is below budget by \$40 million due to lower than budget:

- PT costs due to reduced rail operating costs from reduced train service kilometres and utilities costs, lower ferry indexation and KPI savings on bus contracts driven by a bus driver shortage. KPI incentives were suspended after the change to a weekend timetable during COVID-19 Alert Level 4 in Q1.
- Contractor maintenance mainly from a reduction in stormwater charges and reduced work as a result of access restrictions during the lockdown.
- Other expenditure primarily due to lower than expected unplanned facilities maintenance (e.g. stations, wharfs, carparks etc), AT delivered events and training, mobility and public transport concessions and advertising costs.

D: 50% capital programme was funded by the Crown, comprising Waka Kotahi co-investment and other capital grants from Crown Infrastructure Partners.

Regional Fuel Tax (RFT) Q2 Summary

Financial performance

(\$ million)	FY 22 Quarter 2 YTD			FY 22
	Actual	Budget	Variance	Budget
Total RFT-enabled capital expenditure	70	109	39	260
Project 1: Bus priority improvements	4	4	0	28
Project 2: City centre bus infrastructure	1	1	1	3
Project 3: Improving airport access	6	8	2	12
Project 4: Eastern Busway	19	34	15	71
Project 5: Park & Ride facilities	0	0	0	0
Project 6: Electric trains and stabling	0	2	1	5
Project 7: Downtown ferry terminal and redevelopment	1	0	(1)	0
Project 8: Road safety	25	32	7	72
Project 9: Active transport	7	8	1	15
Project 10: Penlink	0	0	0	0
Project 11: Mill Road corridor	6	13	7	38
Project 12: Road corridor improvements	6	13	7	38
Project 13: Network capacity and performance improvement	3	6	3	8
Project 14: Growth-related transport infrastructure	0	2	2	10
Total RFT-enabled operating expenditure	0.72	0.90	0.18	1.48
Project 8: Road safety	0.72	0.90	0.18	1.48

RFT Commentary

The RFT-enabled capital programme spans ten years, covering 14 separate project groups. The focus in the initial years is on completing existing committed projects.

RFT-enabled capital expenditure year to date is \$70 million, 27% of the full year budget of \$260 million.

Project 1 - Northwest Rapid Transit Network: Construction work at Lincoln Road and Te Atatu Road continues.

Project 2 – Wellesley Street Bus Improvements: Developed Design is complete. Consultation and engagement has commenced.

Project 3 - Puhinui Station Interchange: Practical Completion for Separable Portion 2 has been issued with only snags left to rectify.

Project 4 - Eastern Busway Alliance: Public consultation closed on 10 December 2021; a full analysis and report will be shared with the AT Board on 24 February 2022. As required by Waka Kotahi, an Independent Quality Assurance (IQA) review on the Business case concluded in early December 2021.

Project 7 - Downtown Ferry Basin Piers 3 & 4 project: The project has been completed and is operational.

Project 8 – Construction of safety improvements on high-risk intersections, high risk corridors, pedestrian improvements, installation of red-light cameras and speed limit signs are progressing.

Project 9 – Tamaki Drive (Plumber Street to Ngapipi Road): Construction of the section between Solent Street and Ngapipi Bridge is substantially complete, the road carriageway has been resurfaced and traffic lanes are re-opened.

Project 10 & 11 – Penlink and Mill Road corridor: These projects are now being delivered by Waka Kotahi. The RFT Order in AC will be updated as part of the Long Term planning process which is currently underway to reflect these changes.

Project 12 - Warkworth Matakana Link: The building up of the road pavement on Matakana Road and roundabout is underway. Utility Services continue to be installed throughout the Matakana Link Road and works on the bridge deck is underway.

Auckland Transport Q2 performance measures

Key performance indicators	Previous Quarter	FY 22 Quarter 2		Status	Commentary
		YTD Actual	FY Target		

Note: Auckland Transport has a total of 28 SOI measures, 14 of which are also LTP measures (*). SOI measures have annual targets.

For this financial year, 7 performance measures are on track to meet or exceed their targets, 12 are below target, 9 have not been measured to date. A number of these targets have been impacted by the COVID-19 restrictions in Auckland.

Making Auckland's transport system safe by eliminating harm to people

Number of high-risk intersections and sections of road addressed by the safety programme	Not yet reported	1	7	Not on track	One high-risk intersection has been upgraded so far this FY. The target for high-risk intersections and sections of road to be addressed by the safety programme is seven, most of which are planned to be delivered in the second half of the FY.
The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number *	12 months to June 2021: 536	12 months to September 2021: 545 (Increased by 91)	Increase by no more than 70	Not on track	For the 12 months to the end of September 2021, local roads deaths and serious injuries increased by 91 to 545. Local road deaths have increased from 24 last year to 53 this year and local road serious injuries increased from 425 last year to 492 this year. The AT safety team have attributed these increases to lower police enforcement, alcohol and drug impairment, inappropriate speed, and lack of restraint use.
A steady reduction in the number of deaths and serious injuries on Tāmaki Makaurau's road network, in line with Vision Zero Strategy, expressed as a number of DSI saved compared to the baseline (2016-18) of 716	12 months to June 2021: 612	12 months to September 2021: 620 (Increased by 95)	Reduce by 143	Not on track	For the 12 months to the end of September 2021, the deaths, and serious injuries on all Auckland roads (including local roads and highways) increased by 19.0%, to 620. All road deaths have increased by 121.0% (from 28 last year to 62 this year). All Auckland road serious injuries increased by 13.0% in the past year (from 492 to 558).
Number of vulnerable road user deaths and serious injuries on Tāmaki Makaurau's road network, in line with Vision Zero strategy, expressed as a number of DSI saved compared to the baseline (2016-18) of 320	12 months to June 2021: 281	12 months to September 2021: 270 (Increased by 14)	Reduce by 64	Not on track	For the 12 months to the end of September 2021, deaths and serious injuries of vulnerable road users increased by 4.2%, to 270. Deaths of vulnerable road users have increased by 10.5% (from 19 last year to 21 this year). Vulnerable road users' serious injuries increased by 3.8% in the past year (from 240 to 249).

Providing excellent customer experiences

Percentage of public transport passengers satisfied with their public transport service *	12 months to June 2021: 91.6%	N/A	85-87%	Not yet reported this financial year	Due to COVID-19 restrictions, no onboard PT surveying occurred in the December quarter. At this stage, AT plans to begin onboard surveying of riders again in February 2022.
Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames *	12 months to September 2021: 95.0%	12 months to December 2021: 93.9%	85%	On track to exceed target	The performance of road maintenance contractors in respect to their responsiveness to customer service requests has decreased by 1.1 percentage points on the 12 months to September 2021.
Percentage of total AT case volume resulting in a formal complaint (baseline of 0.77% for 2020 calendar year).	September 2021: 0.51%	0.57%	Less than 0.75%	On track to meet target	This is a new SOI measure. From October to December 2021, 0.57% total AT case volume has resulted in a formal complaint. This is on track to meet the SOI target of less than 0.75%.
Percentage of formal complaints that are resolved within 20 working days (baseline of 79% for 2020/21)	September 2021: 66%	73%	80%	Not on track to meet target	This is a new SOI measure. From October to December 2021, 73% of formal complaints were resolved within 20 working days. This is seven percentage points below the SOI target of 80%.

Key performance indicators	Previous Quarter	FY 22 Quarter 2		Status	Commentary
		YTD Actual	FY Target		
Providing and accelerating better travel choices for Aucklanders					
Total annual public transport boardings	12 months to September 2021: 60.75 million	12 months to December 2021: 50.42 million	82.00 million	Not on track to meet target	Due to COVID-19 restrictions and disruptions related to KiwiRail track maintenance, total PT patronage is not on track to meet the SOI target for this financial year. This measure is 29.1% under the trajectory to meet the full year target. Prior to COVID-19 annual PT boardings had peaked at over 100 million.
Total annual rail boardings	12 months to September 2021: 10.58 million	12 months to December 2021: 8.82 million	18.65 million	Not on track to meet target	This measure is 40.1% under the trajectory to meet the full year target. COVID-19 restrictions, ongoing KiwiRail maintenance works, and the closure of the Mount Eden Station for City Rail Link works continue to significantly impact rail boardings.
Boardings on the Rapid and Frequent Network (RFN)	12 months to September 2021: Decreased at a faster rate than total boardings (-16.3% on the RFN vs. -12.8% for total boardings)	Decreased at a slower rate than total boardings (-17.7% on the RFN vs. -17.9% for total boardings)	Increase faster than total boardings	Not on track to meet target	Rapid and Frequent boardings are decreasing slightly slower than total PT boardings. However, both have decreased by over 17.0%, likely due to increased working from home by City Centre workers, an area largely serviced by Rapid and Frequent services. This has been exacerbated by disruptions on the rail network.
Public transport punctuality (weighted average across all modes) *	12 months to September 2021: 97.6%	12 months to December 2021: 97.9%	96.0%	On track to meet target	The 12 months to December 2021 rolling average is similar to the September average (97.6%).
Kilometres of safe cycling facilities added or upgraded that is located on the Cycle & Micro-mobility Strategic Network	12 months to September 2021: 0.0 km	0.0 km	12.8 km	Not on track	This financial year, no new cycleways have been delivered or upgraded. Tamaki Drive cycleway (2.3km) opened to the public in mid-December 2021 but will achieve final completion and formally launch at the end of January 2022. New Lynn to Avondale cycleway (2.9km) has been delayed by COVID-19 and design changes but is on track to be delivered at the end of March 2022.
Number of cycle movements past 26 selected count sites *	12 months to September 2021: 3.39 million	12 months to December 2021: 3.24 million	3.67 million	Not on track	Cycle movements past selected count sites have decreased by 11.4% on the previous year and were 23.1% below the monthly target to meet the SOI target. This reflects the impact of the COVID-19 lockdowns that began mid-August on cycle movements past the count sites (which are generally focused in the city centre). More generally, increased working from home due to COVID-19 has had a continued impact on this measure.
Active and sustainable transport mode share at schools where the Travelwise programme is implemented	2020/21 Financial Year: 47%	N/A	47%	Not yet reported this financial year	This measure is only reported at the end of the financial year. The score refers to all students who responded to the survey and use an active mode or PT. This excludes all the modes involved with using a private car – family car, friend's car, drive alone or with passengers.
Active and sustainable transport mode share at organisations where the Travelwise Choices programme is implemented	2020/21 Financial Year: 67%	N/A	47%	Not yet reported this financial year	This measure is only reported at the end of the financial year. This figure is based off Workplace and Tertiary Student Travel Surveys completed over the financial year. The result does not include those not traveling/working from home.
Percentage of key signalised intersections in urban centres where pedestrian delays are reduced during the interpeak period *	N/A (New measure)	N/A	60%	Not yet reported this financial year	This is a new SOI measure. To collect this data, AT staff need to be in the office as the system cannot be accessed off site which has not been possible due to COVID-19 restrictions. Thus, the first results from this are likely to be in early 2022.

Key performance indicators	Previous Quarter	FY 22 Quarter 2		Status	Commentary
		YTD Actual	FY Target		
Better connecting people, places, goods and services					
Average AM peak arterial productivity *	12 months to September 2021: 31,603	12 months to December 2021: 31,577	30,000	On track to exceed target	This measure is on track to exceed the target. Average AM peak arterial productivity has increased by 2.0% on the previous year. In Q4 2020/21, congestion was back to Pre-COVID-19 levels. Due to COVID-19 restrictions in Auckland from mid-August, this measure has been improving as there is less traffic on the roads. AT will monitor what the recovery is during the COVID-19 protection framework.
Proportion of the freight network operating at Level of Service C or better during the interpeak *	12 months to September 2021: 96%	12 months to December 2021: 93%	90%	On track to exceed target	Freight Level of Service is three percentage points higher than the SOI target. This is likely to have been impacted by the reduced traffic as a result of the COVID-19 restrictions in Auckland.
Improving the resilience and sustainability of the transport system and significantly reducing the greenhouse gas emissions it generates					
Number of buses in the Auckland bus fleet classified as low emission	2020/21 Financial Year: 33	34	28	Target exceeded	AT have already exceeded the full year target last year. There are currently 34 low emission buses in the Auckland bus fleet at the end of 2020/21. The 2021/22 target is 28. Out of the 34, 33 are electric, and one is hydrogen powered.
Percentage of Auckland Transport streetlights that are energy efficient LED	2020/21 Financial Year: 85%	N/A Not yet reported this financial year	80%	Target exceeded	This measure is only reported at the end of the financial year. However, we have already exceeded the full year target last year. The 2021/22 SOI target was to increase the percentage of energy efficient LED streetlights to 80%. At the end of 2020/21, 104,222 streetlights were LED, 85% of all streetlights, exceeding this year's target by five
Percentage reduction of greenhouse gas emissions from AT's corporate activities and assets (baseline 2018/19) *	N/A (New measure)	N/A	6%	Not yet reported this financial year	This measure is only reported at the end of the financial year. This year, this measure has changed. It is now considering all of AT's operational emissions rather than just corporate emissions. We expect results on this measure by the end of this financial year.
Collaborating with funders, partners, stakeholders and communities					
Elected Member perception measures	N/A (New measure)	Governing Body members satisfied with engagement with AT 61%	Governing Body members satisfied with the quality of advice provided by AT 46%	N/A	N/A
		Local board members satisfied with engagement with AT 47%	Local board members satisfied with their ability to influence AT projects and decisions relevant to their areas 39%		
<p>The elected member perception SOI measure is measured across four different components. In 2021/22:</p> <ul style="list-style-type: none"> 61% of Governing Body members were satisfied or very satisfied with engagement with AT. 46% of Governing Body members were satisfied or very satisfied with the quality of advice provided by AT. 47% of Local Board members were satisfied or very satisfied with engagement with AT. 39% of Local Board members were satisfied or very satisfied with their ability to influence AT projects and decisions relevant to their areas. <p>As this is the first set of data we have on this measure, this will be the baseline. This will be reported on a yearly basis.</p>					
Our operating model is adaptive, financially sustainable and delivers value					

Key performance indicators	Previous Quarter	FY 22 Quarter 2		Status	Commentary
		YTD Actual	FY Target		
The percentage of the total public transport operating cost recovered through fares *	September 2021: 26.8%	December 2021: 22.7%	30-34%	Not on track to meet target	Reduced patronage due to the impact of COVID-19 on travel behaviour and COVID-19 restrictions in Auckland from mid-August, compounded by KiwiRail track works, have significantly impacted the performance of this indicator.
Percentage of road assets in acceptable condition (as defined by Auckland Transport's Asset Management Plans) *	FY 2020/21: 94.3%	N/A	92%	Not yet reported this financial year	This measure is only reported at the end of the financial year. At the end of FY 2020/2021, the percentage of road assets in acceptable condition was 94.3%, which was 0.1 percentage point higher than the previous year, and 0.3% above the target for that year.
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads *	FY 2020/21: Rural: 90.0%	N/A	Rural:88%	Not yet reported this financial year	This measure is only reported at the end of the financial year. At the end of 2020/2021, the percentage of rural and urban roads meeting road maintenance standards were equal to or above the target for that year.
	FY 2020/21: Urban: 86.0%		Urban:78%		
Percentage of footpaths in acceptable condition (as defined by Auckland Transport's Asset Management Plans) *	FY 2020/21: 97.4%	N/A	95%	Not yet reported this financial year	This measure is only reported at the end of the financial year. At the end of FY 2020/21, the percentage of footpaths in acceptable condition was 97.4%, which was 0.2 percentage points lower than the previous year, and 3.6% above the target for that year.
Percentage of the sealed local road network that is resurfaced *	September 2021: 0.2%	1.8%	6.0%	Not on track to meet target	This measure is not on track to meet the target. YTD, AT has resurfaced 122.2km, or 1.8% of the Local Road network. In COVID-19 Alert Level 4, all road works had to cease. COVID-19 restrictions have continued to impact the planned roll out of the program.