

CONFIDENTIAL

Quarterly Report to Auckland Council for the Quarter Ended 31 December 2014

Recommendations

That the Board:

- i. Approves this Quarterly Report for submission to Auckland Council (Attachment 1).
- ii. Makes this report public after it has been received by Auckland Council.






Executive Summary

AC requires AT to deliver, no later than eight weeks after the end of the second quarter of each financial year, a report against the performance targets set out in AT's Statement of Intent (SOI). The report, included as Attachment 1, provides an overview of AT's performance against the SOI during this period.

Attachment

Number	Description
1	AT Quarterly Report to AC, for the quarter ended 31 December 2014

Document ownership

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Auckland Transport Quarterly Report

Quarter ended 31 Dec 2014

CCO Governance and Monitoring Committee



AT Metro is the new, single unified brand for rail, bus and ferry.

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1. Executive summary

Key achievements for the quarter

Auckland Transport (AT) successfully delivered a number of significant projects during the quarter. These include the following:

- opened Te Horeta Road at Panmure (final major milestone of the first stage of AMETI)
- commenced full Eastern Line electric trains operations
- completed O'Connell Street upgrade
- reached 75 million total annual patronage for the first time
- launched AT Metro brand.

Financial performance/Forecast

AT's net surplus before tax for the six months ended 31 December 2014 was \$68.6 million. This is \$54.1 million favourable to the budgeted surplus of \$14.5 million. The favourable variance is mainly due to \$77.5 million of vested asset income partly offset by \$12.4 million lower than budget capital funding from NZ Transport Agency (NZTA). Forecast net surplus at year end is \$77.2 million.

Capital expenditure excluding vested assets for the six months ended 31 December 2014 was \$324.8 million. This is \$30.5 million lower than the year to date SOI budget of \$355.3 million (\$833 million full year). The capital programme has been revised down by \$100 million for the year. Forecast full year capital expenditure is \$733 million.

Non-financial performance

There are 31 non-financial performance measures covered by the Statement of Intent (SOI). Of the 31, nine are measured annually. Of the 22 measured this quarter, 20 were fully achieved, one was substantially achieved (i.e. within 97.5% of target) and one (ferry patronage) did not achieve target.

Highlights in terms of performance are:

- all targets for customer satisfaction measures were met
- parking: off-street and on street occupancy rates were well above targets
- public transport patronage continues to grow strongly (8.7% increase compared to previous year).

Risk Management

AT has adopted a risk management process that follows the joint Australian/New Zealand International Standard AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines. All AT risks have been analysed using the guideline. The AT Board leads the risk management process. Key risks are monitored and reported to the Finance and Risk Committee regularly.

2. Strategic issues and focus areas

In line with our strategic direction, AT has progressed the following projects over the quarter to 31 December 2014:

- **Electric Trains** - 35 three-car units are now in Auckland, with provisional acceptance issued for 30. CAF manufacture is now four units ahead of the planned delivery schedule.
- **CRL** - Project continues with reference design, property purchase, Notice of Requirement and consenting process. Work also continues on the Early Contractor Involvement (ECI) tender and preparation for enabling works package.
- **AMETI** - The AMETI programme was restructured for better planning and resource allocation. With construction of stage 1 complete the project will move into design and property purchase activities for future stages.
- **North West Transformation** (formerly known as NORSGA) - The developer continues to advance construction of the Westgate town centre (elements of plan change 15). Pak 'n' Save roading access was successfully completed and the store was opened on 4 November 2014.
- **Beach Road Cycleway** - Stage 1 Beach Road and Mahuhu Crescent was completed last quarter. Procurement for stage 2 and construction will start from February 2015.
- **AT Metro integration ticketing and fares** - The business case for integrated fares was approved by the AT Board with 'Go Live' targeted for late 2015.
- **Public Transport Operating Model (PTOM)** - Bus PTOM contract industry feedback has been finalised. Industry feedback on ferry PTOM framework was completed in October for procurement framework and commercial arrangements.
- The **school transport programme** team has been working with Transdev and the AT rail team to deliver messaging on fare evasion at high priority schools across the network.
- **Road Safety Promotion** - AT delivered four large regional road safety initiatives including:
 - **Rural Intersection and Urban Red Light Running campaign** also linked to the installation of seven new Red Light Cameras with NZ Police.
 - **Motorcycle Safety Video 'Ride smart. Never be surprised'** was released in October and supported through Police checkpoints, promotions at motorcycle events and skills courses. The video has had over 67,000 views and achieved the highest click-thru rate of any AT campaign to date.
 - AT worked closely with NZTA, NZ Police and ACC in the promotion and enforcement of the lowered adult drink driving limit in December, and launched a **Drunksense campaign** targeting younger drivers.
 - **Slow Down Around Schools promotion** and enforcement campaign was launched in Term 4 with NZ Police to raise awareness of the vulnerability of children on roads near schools.

3. Highlights for the last quarter

AMETI

The new Te Horeta Road, the last major milestone of the first stage of AMETI, opened on 2 November 2014. Te Horeta Road is expected to take thousands of trucks a day off Panmure road. It goes through a 220m tunnel, has new cycle lanes and a shared cycle and foot path alongside.

Electric Trains and Rail Electrification

The electric trains continue to roll out into other areas following their delivery to Auckland and testing programme. Full Eastern Line electric train operations commenced on 8 December 2014 with a 10 minute frequency operating during the peak times from Manukau, with 20 minute inter-peak and 30 minute off-peak services. The last part of the electrification of the Auckland metro rail network is complete with all the urban rail network now energised.

CRL

Enabling works Early Contractor Involvement tenders closed and evaluations commenced. AT was involved, in conjunction with Uptown community, in creating the CRL pocket park on Symonds Street. Bright red lines have been painted on streets in lower Queen Street and QE2 Square to mark the path of the CRL tunnel centre.

O'Connell Street

O'Connell Street in the central city has been opened as Auckland's newest shared space through a successful partnership between AC and AT. Shared spaces are pedestrian-friendly areas that provide space for a wide mix of public and commercial activity such as street dining, events and walking while still allowing access for vehicles. This project was funded by CBD targeted rates.

AT Metro patronage

AT Metro patronage totalled 75.8 million passenger trips for the 12 months to December 2014, an increase of 8.7% on the 12 months to December 2013. Rail patronage continues to break records, with over 12.5 million passenger trips recorded in the last 12 months.

Comparative journey times (Northern Express Busway vs. motorway)

Comparative journey times are now available and have also been made publicly available via TV and radio travel bulletins. The first day of live comparison saw the Northern Express journey travel time being up to 26 minutes faster than the comparative journey via the motorway.

AT Metro Brand

AT Metro is the new brand for Auckland's public transport system across rail, bus and ferry. A common name, brand and colour will more easily define Auckland's public transport options both for Aucklanders and the increasing numbers of domestic and international tourists visiting the city.

Parking

Early bird parking charges were discontinued on 1 December across CBD car parks (Civic, Downtown and Victoria Street). This is a significant move by AT to prioritise public transport by removing a product that encourages customers to drive into CBD during peak congestion. At the same time lease rates have also increased.

4. Future outlook

Long Term Plan (LTP) 2015-2025 - Public engagement with Council about the LTP 2015-2025 has commenced. This included engagement events with Local Boards, Iwi and transport stakeholders on priorities. Coming months will see draft plans in the public arena leading eventually to the LTP 2015-2025 and the Regional Land Transport Plan (RLTP) 2015-2025. AT's instrument for guiding alignment and reconciliation between these plans is the Integrated Transport Plan. A draft of both the LTP and RLTP was released on 23 January 2015.

Auckland's public transport network - Ongoing improvement to Auckland's public transport network will continue over the next four quarters. The new train fleet will increasingly be evident as additional electric trains join the system, the HOP card continues to change daily public transport use, and the fourth quarter will see the first bus route operator contracts put to the market for the revised southern Auckland bus routes.

Work continues on developing the **new public transport journey planner**. This will deliver a step-change in the customer experience through improved functionality, putting more power in the hands of the customer.

Results of public consultation about the draft **Parking Strategy** will be considered in the next quarter. When the policy is ready for implementation, Local Boards will be engaged on an area by area basis.

5. Key deliverables

Progress for key projects/activities from last quarter




Key project/activity	Status	Comments
CRL- Property Acquisition Programme	On-going	<ul style="list-style-type: none"> The CRL property acquisition programme is slightly behind plan but anticipated to catch up in 2015. Overall 55 of 125 full title surface properties have been acquired for the project.
AMETI	Stage 1 Completed	<ul style="list-style-type: none"> The new Te Horeta Road, the last major milestone of the first stage of AMETI, opened on 2 November. Stage 1 also included building the new Panmure Station, three new bridges, new cycle paths and footpaths.
Flat Bush School Road - Murphy's Road	Completed	<ul style="list-style-type: none"> Construction was completed in December. The project is to upgrade and signalise the intersection to resolving safety and growth issues.
O'Connell Street	Completed	<ul style="list-style-type: none"> AT lead this CBD targeted rate funded project to upgrade the streetscape and open space areas; transforming it into a 'shared space'; and people-friendly destination.
North West Transformation	On-going	<ul style="list-style-type: none"> With paving works completed, the new Pak 'n' Save store has opened and planning for an interim bus interchange is nearing completion.













Planned progress on key projects/activities for next quarter

Key project/activity	Comments
Otahuhu Bus Interchange	<ul style="list-style-type: none"> Enabling works completed, preparatory earthworks are on-going over the next 2 months, the design is 75% complete and full construction planned to commence in May 2015 for completion in February 2016.
Tiverton/Wolverton Route Upgrade - Alternate Cycle Route	<ul style="list-style-type: none"> Detailed design for the cycle way route is underway. Safety audit has been completed. Contractor has been commissioned to complete works outside the Blockhouse Bay School during the school holidays. Remaining works to be completed by June 2015.
Albany Highway Upgrade (North)	<ul style="list-style-type: none"> Earthworks, works to Days Bridge footings and drainage commenced. Rosedale/Albany Highway roundabout to be removed in preparation for signals with completion scheduled for early 2017.
Beach Road Cycle Lane – Stage 2	<ul style="list-style-type: none"> Procurement is underway for a February construction start and June 2015 completion.
Dominion Road Parallel Cycle Route	<ul style="list-style-type: none"> Stage 1 construction of the cycle route is on track.
AMETI	<ul style="list-style-type: none"> On-going investigation, design and property purchases are underway for future individual stages.

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	Full year forecast	Variance
Operational							
Revenue/ External funding	189.0	192.4		Includes increased AT Metro income due to higher patronage than budgeted.	389.0	391.6	
AC funding	117.8	117.8			235.6	235.6	
Found assets income	-	15.2			-	14.8	
Expenditure excluding depreciation, amortisation and impairment	300.9	305.3		Includes unbudgeted costs for storm damage on Great Barrier Island and delayed capitalisation of personnel costs.	621.1	623.7	
Depreciation and amortisation	133.0	141.4		Increased amortisation expense due to higher than budgeted intangible assets, and additional depreciation expense from the vested assets.	266.0	293.0	
Loss on derivatives, disposal of assets and inventory impairment	-	16.8			-	7.5	






\$'m	Budget to date	Actual	Variance	Comment	Full year budget	Full year forecast	Variance
<u>Capital</u>							
Expenditure	355.3	324.8	●	The capital programme has been revised down by \$100m for the year, this has resulted in lower than budgeted expenditure year to date.	833.1	733.3	●
Vested asset income	-	77.5	●	Vested assets of \$77.5m not included in the budget.	-	43.0	●
AC funding – subsidy	67.3	67.3	●		134.5	134.5	●
AC funding – capital investment	105.3	88.1	●	Capital investment was lower than budget as a result of capital expenditure being below budget.	301.5	201.7	●
AC loan funding	108.5	107.5	●		215.2	215.2	●
External funding	74.3	61.9	●	Mainly lower NZ Transport funding for new capital due to delayed funding for property acquisitions.	181.9	181.9	●












7. Performance measures

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

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

Performance measure	SOI Target	On track	Last actual	Date of last measure
Impact 1: Better use of transport resources to maximise return on existing assets				
1. Public transport subsidy per passenger kilometre (CPI adjusted to June 2012)	\$0.29		\$0.296	Dec 2014
2. Parking: off-street ¹ occupancy rates (peak 4-hour period)	Within 80-90% range		99%	Dec 2014
3. Parking: on-street ² occupancy rates (peak 4-hour period)	Within 70-90% range		82%	Dec 2014
Impact 2: Increased customer satisfaction with transport infrastructure and services				
4. Percentage of public transport passengers satisfied with their public transport service	83%		83%	Dec 2014
5. Percentage of residents satisfied with the quality of roads in the Auckland region	70%		71%	Dec 2014
6. Percentage of residents satisfied with the quality of footpaths in the Auckland region	65%		65%	Dec 2014

Performance measure	SOI Target	On track	Last actual	Date of last measure
Impact 3: Auckland's transport network moves people and goods efficiently				
7. Arterial road network productivity ³ . Percentage of road corridor productivity maintained or improving on key arterial routes: <ul style="list-style-type: none"> • 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) 	53% of the ideal achieved		54%	Dec 2014
Travel times along strategic freight routes during the inter-peak period (9am-4pm), with 85% of trips travelled within the following minutes:				
8. SEART (from Sylvia Park to East Tamaki)	11		11	Dec 2014
9. SEART (from East Tamaki to Sylvia Park)	12		10	Dec 2014
10. Wairau Road (from SH1 to SH18)	8		8	Dec 2014
11. Wairau Road (from SH18 to SH1)	8		8	Dec 2014

Performance measure	SOI Target	On track	Last actual	Date of last measure
12. Harris Road (from East Tamaki to SH1 Highbrook interchange)	10		9	Dec 2014
13. Harris Road (from SH1 Highbrook interchange to East Tamaki)	11		11	Dec 2014
14. Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (SH20 to Walmsley)	13		8	Dec 2014
15. Kaka Street/James Fletcher Drive/Favona Road/ Walmsley Road (Walmsley to SH20)	13		7	Dec 2014
16. Great South Road (SH1 Ellerslie Panmure Highway Interchange to Portage Road)	11		11	Dec 2014
17. Great South Road (Portage Road to SH1 Ellerslie Panmure Highway Interchange)	11		10	Dec 2014
18. Annual total public transport boardings (000)	73,686		75,800	Dec 2014
19. Annual Rapid Transit Network rail boardings (000)	12,100		12,516	Dec 2014
20. Annual Rapid Transit Network busway boardings (000)	2,511		2,665	Dec 2014
21. Annual Bus network boardings excluding busway (including contracted school buses) (000)	53,695		55,451	Dec 2014
22. Annual Ferry boardings ⁴ (000)	5,380		5,168	Dec 2014

Performance measure	SOI Target	On track	Last actual	Date of last measure
23. Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban roads	Not less than 82%		Annual measure	
24. Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all rural roads	Not less than 92%		Annual measure	
Impact 4: Increased access to a wider range of transport choices				
25. Walking trips into the CBD during the morning peak	5,500		Annual measure	
26. Cycling trips in designated areas ⁵ in Auckland: <ul style="list-style-type: none"> during the morning peak 	142,200		Annual measure	
27. Cycling trips in designated areas ⁶ in Auckland: <ul style="list-style-type: none"> all day 	958,000		Annual measure	
28. Number of morning peak (7-9 am) car trips avoided through travel planning initiatives	16,700		Annual measure	
Impact 5: Improved safety of Auckland's transport system				
29. Total death and serious injuries on local road network	Fewer than 340 (2.66% reduction from previous year)		Annual measure	
30. Public and customer safety and security incidents across public transport network per 1,000,000 passenger boardings	0.90		Annual measure	

Performance measure	SOI Target	On track	Last actual	Date of last measure
Impact 6: Reduced adverse environmental effects from Auckland's transport system				
31. CO2 emissions from rail network	No more than 25.5 ktCO2e		Annual measure	

¹ Off-street parking occupancy measures Civic, Downtown and Victoria Street car park buildings.

² On-street parking occupancy is surveyed once a quarter in three central city parking zone precincts: Shortland/High Streets, K Road and Wynyard Quarter. Survey months were September 2014 and November 2014.

³ Road corridor productivity is measured by: number of vehicles x their average speed x average vehicle occupancy by lane. Based on considerable research, Austroads (Association of Australian and New Zealand Road Transport and Traffic Authorities) has issued recommendations for measuring this, based on ideal arterial road conditions. Taking these recommendations into account, the AT productivity ideal has been set at: 38,000 person km, per hour, per lane (900 vehicles travelling at an average speed of 35kph in one lane, with an average of 1.2 occupants).

⁴ Ferry numbers impacted by weather events in the quarter. Number of cancellations impacting on total numbers. Improvement in summer is expected to follow through into the next quarter and will track closer to target. New services are bedding in.

⁵ The nine sites currently used for reporting are located at: Upper Harbour Drive; Great South Road; Highbrook Drive; Lake Road; North-Western Cycleway (Kingsland); North-Western Cycleway (Te Atatu); Orewa Cycleway, Tamaki Drive (Eastbound); and Twin Streams path.

8. Contribution to Māori outcomes

AT's SOI recognises all seven community outcomes as outlined in the Auckland Plan. This includes the Māori community outcome - ***Te Hau o Te Whenua, Te Hau o Te Tangata*** (a Māori identity that is Auckland's point of difference in the world).

There are six priority project areas in Auckland Council's Annual Plan 2014/15 which are intended to give effect to Te Hau o Te Whenua, Te Hau o Te Tangata and show Auckland Council's and CCOs' commitment to Māori. This includes the contribution to the transformational shift of significantly lifting Māori social and economic wellbeing. AT is able to contribute to all six priority project areas, however for the purpose of this report its focus is on ***priority outcome area: Transport, walking and cycling infrastructure, incorporation of te reo Māori signage/narrative, Māori design and public artworks.***

To give effect to this strategic outcome, AT will continue to engage with mana whenua on major projects using Te Aranga Māori urban design principles, and utilising AT's Māori Engagement Framework (which includes Māori Value assessments) across the following activity classes.

Activity classes	Jul-Dec Spend \$	How it contributes to Māori outcomes / Progress
Roads and footpaths		
AMETI	104,300	Cultural monitoring by mana whenua has reached its final stages in the construction works around Mt Wellington and Panmure Station, as per the Accidental Discovery Protocol. Hui were held with mana whenua in the early stages of the Reeves Flyover, Pakuranga. Work continued on finalising the Cultural Values Assessment for Mokoia Pa, a site of significance principally for Ngāti Paoa. The new road at AMETI, Te Horeta, named by mana whenua was opened on 1 November with a site blessing.
Dominion Road	18,600	Ngāti Te Ata, Ngāi Tai ki Tamaki, Ngāti Whātua o Orākei, Ngāti Maru and Ngāti Tamaoho continue to work with the Dominion Road project team on the implementation of the Cultural Landscape Concept. This includes a hinaki (eel pot) inspired walking and cycling bridge, native planting landscape design, pavings, pou whenua and placemaking signage.
Penlink	14,200	A joint Māori Values Assessment has been produced by Ngāti Manuhiri and Te Kawerau a Maki outlining the association of Māori values along the proposed Penlink route.
East West and Mill Road	5,300	Hui on East-West are continuing with mana whenua in a process now led by NZTA. Discussions were centred on the selection of the route options. Final documentation for Mill Road, including a Cultural Values Assessment from seven mana whenua groups, was finalised for lodgement with Council at the end of 2014.

Activity classes	Jul-Dec Spend \$	How it contributes to Māori outcomes / Progress
Roads and Footpaths	8,600	Includes the Glenvar Ridge Road project that has developed consent conditions from cultural impact assessments, addressing mana whenua issues. Work continues on cultural monitoring and Māori Urban Design opportunities in this project.
Walking and Cycling	4,300	Includes the Glen Innes to Tamaki Drive Shared Pathway which recently commenced engagement with mana whenua, including a walkover of the proposed route and identifying sites of Māori cultural and ecological significance.
Public Transport/ Other Public Transport		
City Rail Link	27,900	Work is progressing on the CRL design with mana whenua working closely with the CRL design team. Resource consent requirements, particularly regarding stormwater, and Cultural Impact Assessment triggers under the Proposed Annual Unitary Plan were the focus for mana whenua. A mauri model of assessment is being considered by mana whenua, and involvement in tendering processes for CRL.
Te reo Māori translation	2,000	A brochure outlining the changes to the new bus network for the Hibiscus Coast (Whangaparaoa/Orewa areas) was translated into te reo Māori by a licensed te reo Māori interpreter.
Ōtāhuhu Bus interchange	13,700	AT has been working with Ngāti Whātua o Ōrākei, Ngāi Tai ki Tāmaki, Ngāti Tamaoho, Te Akitai Waiohua, Ngāti Te Ata, Ngāti Maru and Ngāti Paoa in the detailed design of the Ōtāhuhu Bus Interchange. This includes cultural narratives that celebrate the portage, rango (totara logs used to move waka overland), Manukau Harbour and Tāmaki Walkways, maunga, navigation and the Ridge (Tutu trees). Other areas of importance identified were stormwater, plantings and water quality.
Māori wardens	300,000	Māori Wardens provide a customer service role on some train services particularly in the evenings. This is met through a contract between AT and TransDev.
Public Transport	19,500	Includes engagement with mana whenua on the Newmarket Level Crossing including the identification of stormwater issues. Next steps include Māori Urban Design opportunities and cultural narratives.
Other		
RLTP	2,600	Two pre-engagement hui in Manukau and Orewa were held with mana whenua on reviewing the Regional Land Transport Plan (for incorporation into the Long Term Plan) and setting priorities for funding projects for 2015 onwards. Thirteen mana whenua groups were represented at the two hui where mana whenua were invited to contribute to the priorities prior to formal engagement in early 2015.

Activity classes	Jul-Dec Spend \$	How it contributes to Māori outcomes / Progress
Te Wiki o te reo Māori	13,000	Te Wiki o te reo Māori (Māori Language week) was held nationally from 21-27 July 2014. AT's contribution to the week was a daily kupu o te rā (a transport related word of the day) that was handed out to commuters at key train and bus stations. Kapa haka was performed at the stations, the week beginning with a performance at Britomart with pork and puha soup served to commuters. Decals in te reo Māori were also placed on the floor at train stations.
Wynyard Quarter	12,100	Wynyard Quarter is an integrated programme with AT, Waterfront Development and Watercare. AT is leading the mana whenua engagement and mana whenua (from within the Waitemātā Local Board area) have been developing a land contamination framework as the project moves towards its consenting phase. Discussions are also taking place on stormwater management and Māori Urban Design opportunities.
Māori Image Gallery	14,800	A Māori professional photographer was commissioned to provide Māori images for AT's photographic library. These images covered AT activities including walking and cycling, public transport (ferry, train and bus), and Māori Urban Design. A selection was included in AT's Annual Report 2014.
Māori Engagement Framework	6,000	A legal review of AT's Maori Engagement Framework was undertaken to identify recent amendments including Treaty Settlement legislation and changes to the Land Transport Management Act.
Transport Day with Mana Whenua	N/A	In July 2014, AT established a Transport Day with mana whenua (kaitiaki) who meets one day a month. Projects present to hui participants, and input and feedback is received from mana whenua. Further engagement occurs outside the Transport Day on projects. Resourcing for Māori outcomes is met by the specific projects.
Other Engagement	N/A	Initial discussions have been held with iwi representatives in the North West with a view to a series of workshops with AT staff and contractors working in the area. These meetings will focus on areas of cultural and historical significance. AT senior staff participated in PWC review/Treaty of Waitangi Audit of AT's contribution to Auckland Plan Maori Outcomes.
Total	566,900	

9. Key Local Board issues

AT has enabled all Local Boards to have early input into the formation of the transport sections of the Long Term Plan. A second series of clustered workshops has been underway through late October to capture feedback.

The Local Board Transport Capital Fund expenditure is improving, with recent refreshed guidance from Council about how the fund can be spent allowing innovative projects and partnerships to emerge across Council's entities and departments. An example is the Future Streets programme in Mangere East, which has enabled the longstanding Wadden-Windrush community issue to be planned for resolution in a manner that increases pedestrian safety across a wide network of local streets and connections.

AT is continuing to seek to improve engagement with Local Boards in an early, reflexive, and demonstrably responsive manner to local interests in projects and programmes, and local concerns about issues raised.

10. Risk Management

How AT identify, assess and manage risks.

The risk management process adopted by AT follows the joint Australian/New Zealand International Standard AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines.

Risks are analysed in terms of:

- **gross risk profile** (without any consideration of current mitigations or controls) - i.e. the maximum risk that AT could be exposed to.
- **net risk profile** (after consideration of existing mitigations and controls) - i.e. the actual amount of risk that AT is exposed to.
- **the target risk profile** - after identification of future cost-effective strategies for treating/mitigating risks, a target risk profile is created. This is a position the organisation can potentially achieve if planned or additional controls to the existing control environment are implemented.
- **monitor** and **report** on the management of risks

The AT Board leads the risk management process. Key risks are monitored and reported to the Finance and Risk Committee regularly. No changes have been made in the quarter (i.e. 31 December quarter) to the approaches taken to risk management, internal audit, or external audit.

Progress on current internal and external audit issues

Progress against the activities contained within the 2014/2015 internal audit plan is in line with expectations. A number of special investigations (i.e. unplanned work) have also been completed. Recommendations from the external audit June 2014 management report have been substantially cleared and/or implemented. Remaining items are due for implementation in the coming months.

Confirm we are unaware of any financial impacts that would affect the group.

Potential risks

The following are the top ten **potential** risks identified, each with mitigation strategies, executive focus, and each of which is actively monitored and reported on regularly:

Risk Category	Risk Description	Risk Class
Health and Safety	Work Place Safety	A
Service Delivery and Financial	Major (AT) Projects	A
Service Delivery and Financial	Major (External) Projects	A
Service Delivery	Failure to Deliver Services	A
Service Delivery and Financial	Project Management	A
Health and Safety, Service Delivery and Financial	Asset Management	A
Health and Safety, Service Delivery and Financial	Business Continuity	A
Service Delivery	Information Technology Control Environment	A
Financial	Purchasing and Procurement	A
Health and Safety, Service Delivery and Financial	Contract Management	B