

Statement of Intent 2014-2017

Including October 2014 amendments



**Auckland
Transport** 

An Auckland Council Organisation

STATEMENT OF IMAGINATION

This initial Statement of Imagination gives an indication of the form and substance of a definitive Statement of Imagination. When Auckland Transport has completed its current strategic work, the Statement of Imagination will be much more comprehensive, setting out very clearly the desired state for transport in Auckland and the complementary Statement of Intent will articulate the actions (and consequential key performance indicators) for the implementation of the Statement of Imagination.

Why a Statement of Imagination?

Essentially, imagination is the capacity to form mental images or concepts of what is not actually present currently. Fundamentally, the Statement of Imagination creates an image of the desired state.

Imagine that you are heading to your destination in Auckland for work, study, business or play and you can simply turn up at a train station, bus shelter or ferry terminal and go.

Imagine that your train station, bus shelter or ferry terminal has interesting and helpful options and utilities.

Imagine that your HOP card (actually loaded onto your smart phone) facilitates entry to a park and ride with expanded services and options or your bicycle parking shelter.

Imagine that your public transport travel time can be spent at work or leisure through HOP facilitated Wi-Fi internet connection.

Imagine that your train is modern, spacious, air conditioned and electric, reliable and punctual and in the event that there is unanticipated network problem that there are immediate, regular and helpful information updates, supplemented by alternative services where necessary.

Imagine that your bus is comfortable, clean, air conditioned, reliable and punctual and that a resilient real time system keeps you advised of any alterations due to unexpected traffic incidents or breakdowns.

Imagine that if you are not close to the rapid transit and frequent networks that there are regular and reliable local connector and feeder bus systems and other opportunities for the first and final leg of your journey.

Imagine that active transport (cycling and walking) have a wide and connected network of opportunity for you to choose this mode which is good for your personal health as well as the health of the network.

Imagine an integrated, rapid and frequent transport network system that allows people to flow freely across the Auckland region to stimulate economic productivity.

Imagine a growing regional economy supported by an integrated network of priority freight routes enabling goods and services to flow freely across Auckland and connect with its regional neighbours.

Imagine a public transport network where there are many more places in Auckland that you can choose to rely less on cars.

Imagine a traffic signal system in the Auckland region with the sensitivity and specificity to keep traffic flowing at all travel times.

Imagine a public transport system so effective that public transport trips into the city centre during peak times increases from 47% to 70%.

Imagine that the number of people living within walking distance of frequent public transport stops increases from 14% to 32%.

Imagine a greatly enhanced network of frequent unobstructed public transport options.

Imagine there are more shared spaces in the city and metropolitan centres which are safe and vibrant, attract visitors, stimulate increased retail sales and attract investment.

Imagine a time where it is no longer 20 trips being car or freight for every 1 public transport trip – a time when that ratio of 20:1 becomes 15:1 (or less) enabling fares to cover a higher proportion of costs, requiring less tax and ratepayer funding to support public transport.

Imagine international and domestic visitors being able to get to the city centre from Auckland airport on a fast, direct and frequent rapid transit service unobstructed by traffic congestion.

Imagine smart digital technology facilitating access to real time information as well as providing the platform for payment for a range of transport services.

Is it possible in Auckland to translate this imagination to reality – yes it is.

But, this will not happen if Auckland Transport keeps doing what has been done in the past and slavishly adheres to legacy thinking, decisions and projects. The Auckland Transport Board and Management are in the final stages of the process of reframing and rethinking the underlying strategic themes to transform transport in Auckland. These themes will be the filter for making future choices, both operational and capital and will be tightly coupled to the translation of what we imagine is possible for transport in Auckland and achieving that.

Some of what we imagine is well within our reach and already embedded in the eight strategic priorities (other than the CRL) for public transport in Auckland. These eight strategic priorities are:

1. HOP Smartcard Integrated Ticketing and Fares
2. Regulatory and Procurement Reform
3. Rail Electrification and Electric Motorised Units
4. Ferry Improvements
5. New Connected Frequent Network
6. On-Time Performance
7. First and Final Leg of Public Transport Trips
8. Customer Experience

The speed at which imagination unfolds into reality is dependent on realistic funding of both operation and capital requirements as well as strategic and implementation capacity within Auckland Transport and its partner organisations. The new paradigm needs to be primed with a sense of urgency, creative thinking and adaptive capacity. Courage to make decisions and pilot innovative ideas and technology that are necessary for progress but not necessarily supported by all segments of the population will be necessary. Decisions will need to be consistently made that are in the best interests of the region – if we do not do this we will not be able to develop a public transport network where access, frequency and reliability create truly meaningful freedom of choice.

As the Auckland Transport Board and Management complete its strategic work this will commence to reframe our approach and will inform our work as well as future Statements of Intent in a very substantive way.

1. INTRODUCTION

*E ngā iwi whānui ki ngā topito o Tāmaki Makaurau
He mihi manahau ki a koutou katoa
Topuni ki te Raki
Rakitu ki te Rāwhiti
Puketutu ki te Tonga
Oaia ki te Uru
Tāmaki herehere o ngā waka e!
Tihei Mauri ora ki te whai ao, ki te ao mārama*

*To the wider people to the ends of Auckland
A heartening greeting to you all
Topuni to the North
Rakitu to the East
Puketutu to the South
Oaia to the West
Tāmaki the meeting place of all canoes
Life essence to the world, to the world of light*

This Statement of Intent (SOI) sets out Auckland Transport's strategic approach and priorities for the next three years.

The strategic direction outlined in this SOI is based on four primary sources:

- Auckland Transport's legislative purpose;
- The vision, outcomes, strategic directions and priorities set out in the Auckland Plan;
- The Mayor's Letter of Expectation; and
- The Auckland Transport Board's analysis of transport priorities.

1.1. Auckland Transport's functions and obligations

Auckland Transport is a council-controlled organisation (CCO) of Auckland Council. It was established on 1 November 2010 under section 38 of the Local Government (Auckland Council) Act 2009. Its statutory purpose is "to contribute to an effective, efficient, and safe Auckland land transport system in the public interest".¹

Auckland Transport is responsible for the planning, development and management of all of the Auckland region's transport system (excluding the State highways and railway corridors) – including roads and footpaths, cycling and walking infrastructure, parking facilities, and public transport.

1.2. Auckland Transport's partnership with Auckland Council

The Auckland Council is the sole shareholder of Auckland Transport. This SOI recognises the important partnership between Auckland Transport and the Council in the delivery of shared outcomes, and that the success of each organisation is dependent on the actions of the other partner. This includes:

- A commitment to collaboration;
- A commitment to openness and transparency;
- Adhering to a "no surprises" policy; and
- Engaging with other CCOs to ensure a coordinated approach.

¹ Section 39 Local Government (Auckland Council) Act 2009. Auckland Transport's statutory purpose was amended on 13 June 2013 by section 72 of the Land Transport Management Amendment Act 2013

In particular, Auckland Transport's ability to successfully deliver on the Programme of Action (POA) and performance targets set out in this SOI relies on the Council providing a supportive policy and regulatory environment, and making sufficient funds available to enable the necessary transport investments and services to be implemented in a timely manner.

This SOI is based on the dollar values shown in the "Summary of Capital Expenditure" in Attachment D. Any changes to funding will necessitate changes to this SOI.

1.3. Auckland Transport's partnership with NZTA

Auckland Transport also recognises the importance of its partnership with the New Zealand Transport Agency (NZTA). Auckland Transport works with NZTA to identify, plan, fund and implement critical transport projects in a coordinated and strategic manner, thereby helping to maximise the return on transport investment for Auckland.

2. STRATEGIC DIRECTION

2.1. The Auckland Plan

The Mayor's vision for Auckland, as expressed in the Auckland Plan, is for Auckland to become the world's most liveable city. In order to achieve that, the Plan identifies seven outcomes, most of which are directly influenced by the transport system:

- A fair, safe and healthy Auckland;
- A green Auckland;
- An Auckland of prosperity and opportunity;
- A well connected and accessible Auckland;
- A beautiful Auckland that is loved by its people;
- A culturally rich and creative Auckland; and
- A Maori identity that is Auckland's point of difference in the world.

The transport system and Auckland Transport's programme need to contribute to these outcomes.

The Auckland Plan also includes six "transformational shifts", including the key transport-related shift: "*Move to outstanding public transport within one network*". A number of strategic directions from the Auckland Plan are also of particular relevance to Auckland's transport system.

Auckland Transport will also take into account the Auckland Plan principles, particularly those related to land use and transport, good design² and the environment, and the Plan's target to achieve a reduction in greenhouse gas emissions.

2.2. Auckland Transport's outcomes framework

To align with to the strategic direction in the Auckland Plan and its new statutory purpose, Auckland Transport has identified the following overarching outcome: *Auckland's transport system is effective, efficient, and safe*.³ Contributing to that outcome are six impacts (intermediate outcomes)⁴:

- Better use of transport resources to maximize return on existing assets;
- Increased customer satisfaction with transport infrastructure and services;
- Auckland's transport network moves people and goods efficiently;
- Increased access to a wider range of transport choices;
- Improved safety of Auckland's transport system; and
- Reduced adverse environmental effects from Auckland's transport system.

Such a transport system will enable Aucklanders to travel to work efficiently, engage in recreation and leisure activities, socialise with friends and family, and undertake business activities in a cost-effective way, thereby enhancing Aucklanders' quality of life, and contributing significantly to Auckland's "liveability" and economic prosperity.

² Auckland Transport is committed to applying good design principles as identified in the Auckland Plan (namely identity, diversity, integration and efficiency) and support Auckland Council as signatory to the Ministry for the Environment's Urban Design Protocol by providing detail on how the quality of urban design within Auckland Transport projects is to be improved during 2014-2017

³ This outcome is also aligned with AT's organisational vision (Delivering transport choices to get you where you want, when you want), and mission (To deliver effective and innovative transport solutions to customers).

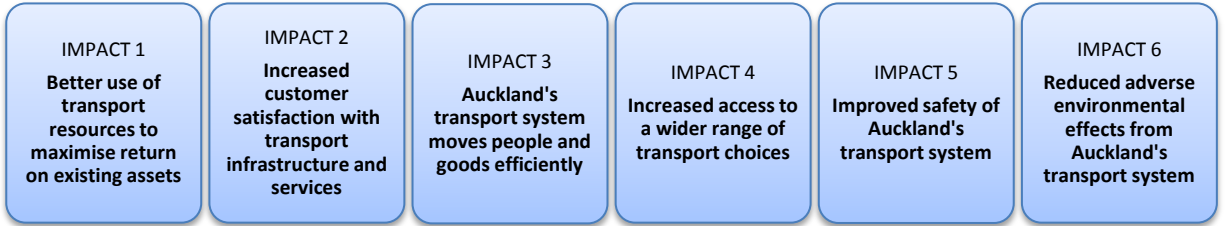
⁴ The impacts are outlined in more detail in Attachment A.

AUCKLAND PLAN VISION

Auckland - the world's most liveable city

AUCKLAND TRANSPORT'S OUTCOME

Auckland's transport system is effective, efficient, and safe



2.3. “One system” approach

Auckland Transport has worked in partnership with the New Zealand Transport Agency (NZTA) to develop a “one system” approach, which is designed to improve the connectivity and integration of the Auckland transport system. The “one system” approach ensures that:

- the networks of the different transport modes are connected and integrated;
- the State highway and regional arterial road networks are integrated to function as one system;
- modal services are integrated to provide a seamless transport experience.

To give effect to the “one system” approach, Auckland Transport developed an Integrated Transport Programme (ITP) with the Auckland Council and NZTA. The ITP enables projects critical to Auckland’s transport needs to be identified, planned, funded and implemented in a coordinated and strategic manner. The ITP is currently under review.

The ITP also recognises the important funding relationship that exists between Auckland Transport, NZTA and the Auckland Council. Effective coordination with NZTA will, therefore, help to maximise the amount of funding available for investment in Auckland’s transport system, and to maximise the return on that investment.

Auckland Transport is also responsible for preparing the Regional Land Transport Plan (RLTP), which will replace the existing Regional Land Transport Programme. The new RLTP, which must be adopted by 30 June 2015, will set out the Auckland’s land transport objectives, policies, and measures for at least 10 financial years⁵. Auckland Transport will ensure all future Statements of Intent are aligned with the RLTP.

⁵ As per section 16 of the Land Transport Management Act 2003

3. NATURE AND SCOPE OF ACTIVITIES

Auckland Transport undertakes a wide range of activities associated with the planning, development and management of the Auckland transport system. These activities include:

- Transport planning
- Investigation, design, and development of infrastructure
- Asset management
- Road corridor operations, access management and maintenance
- Public transport services and facilities management
- Parking management and enforcement
- Community transport activities

3.1. Programme of Action for 2014 – 2015

Auckland Transport has developed a “Programme of Action” (POA) aimed at achieving the impacts and outcomes stated in the preceding section. Funding beyond 2014/15 is yet to be determined; therefore, the POA only comprises activities and initiatives to be undertaken during that financial year.

The projects comprising the POA have been sourced from the key strategic projects outlined in the Auckland Plan, Auckland Council’s Long Term Plan, the Auckland Regional Land Transport Programme, and the strategic priorities identified in the Mayor’s Letter of Expectation to Auckland Transport.

It should be noted that the POA only lists the major projects and priorities for 2014/15. Auckland Transport will be also carrying out many other complementary projects and initiatives during that year.

The POA is divided into three categories:

- Planning and route protection;
- New transport infrastructure; and
- Significant operations.

A. Planning⁶ and route protection

A.1 Complete the Auckland Regional Land Transport Plan by June 2015

A.2 Undertake planning and route protection for major new transport initiatives, including:

- City Rail Link
- South-Western Multimodal Airport Rapid Transit (SMART) network
- East-West Link (in conjunction with NZTA), including public consultation on the development and progression of a preferred option
- Penlink
- Auckland-Manukau Eastern Transport Initiative (AMETI)
- Lincoln Road Corridor Improvements
- Mill Road Improvements
- Wynyard Quarter (Integrated Road Programme)

B. New transport infrastructure

B.1 Construction of the following projects to be completed by June 2015:

- Complete delivery of 57 trains
- AMETI Package 1, Phase 1 (Link Road, Watercare and mitigation works)
- Flatbush School Road / Murphy’s Road Intersection Upgrade
- Onewa Road Bus Lane (West Bound)
- Matakana Valley Road (Seal Extension)
- NORSGA Plan Change 14 (Hendrika Court Extension)

⁶ Planning will be done for the projects that are high in priority in terms of transformational shifts outlined in the Auckland Plan and Auckland Council spatial priorities.

- Walking and cycling projects including:
 - Dominion Road Parallel Cycle Route
 - Great South Road, Papakura
 - Bridge Street, Papatoetoe
 - St George Street, Papatoetoe
 - Browns Road, Manurewa
 - Station Road, Manurewa
 - Upper Harbour Drive, Upper Harbour
 - Beach Road Cycle Route, CBD
 - Tiverton Road – Wolverton Street Parallel Cycle Routes, New Windsor

B.2 Construction of the following projects to start in 2014/15:

- Swanson Station Upgrade
- Albany Highway Upgrade (including 7.6km of bus lanes - 3.8km both sides)
- NORSGA Plan Change 15 (Fred Taylor Widening Stage 1)
- NORSGA Plan Change 15 (Westgate Street Upgrade 1)
- NORSGA Plan Change 15 (Westgate Bus Interchange 1)
- Double Decker Bus (Network Mitigation Works)
- On Street Parking Machines (Asset Replacement)
- Te Atatu Corridor Improvement (including Walking & Cycling)
- Otahuhu Bus Interchange
- Manukau Bus Interchange (Lot 59)
- Pukekohe Station Upgrade (including Park and Ride)

C. Significant operations

- C.1 Complete maintenance and renewal programme for roading and public transport assets.
- C.2 Let contracts for new public transport services using new public transport operating model.
- C.3 Develop new zone-based integrated fare system across the public transport network.
- C.4 Extend signal optimisation on the arterial road network.
- C.5 Road safety operations, including safety around schools programme, road safety education, promotion and training targeting at-risk road users.
- C.6 Coordinate School, Tertiary, Area and Workplace Travel Plans.
- C.7 Support matauranga Maori with interpretive signage and/or artworks within major projects, subject to allocated budget. Support for Maori narratives will be provided across the following programmes:
- AMETI
 - City Rail Link
 - Other major projects as budget allows.

C.8 The Auckland Transport Operations Centre (ATOC) will manage key events in Auckland, in conjunction with ATEED, event promoters and emergency services.

ATOC will manage the Transport Management Plans and provide special event transport services for significant annual events including, but not limited to:

- Auckland Pride Festival
- Dick Smith NRL Auckland Nines
- Auckland Lantern Festival
- Farmers Santa Parade
- ITU World Cup Triathlon
- 70.3 International Ironman
- Major concerts at Mt Smart and Western Springs
- All major sporting events at Eden Park.

ATOC will manage the Transport Management Plans and provide special event transport services for significant international events including, but not limited to:

- Volvo RTW Ocean Race (Feb/March 2015);
- Cricket World Cup (ODI) (Feb/March 2015); and
- FIFA Under 20 Football World Cup (May/June 2015).

C.9 Continue to provide input into Auckland Council's Special Housing Areas project.

C.10 Work with Auckland Council Property Limited to identify surplus non-strategic properties for disposal.

3.2. Auckland Transport's Urban Design Practice

Auckland Transport's approach to urban design practice and continually improving the quality of urban design is delivered through the following:

- The incorporation of urban design principles into the Auckland Transport Code of Practice (ATCOP) as an underpinning of all work undertaken.
- As a signatory (as a part of the Auckland Council group) to the Urban Design Protocol.
- Via input to the various stages of capital and operational projects (briefs, concepts, design, management and maintenance of streets and facilities).
- Provision of learning and development training within AT, external stakeholders, and the wider community.
- Working closely with the Council Built Environment Unit, other relevant council units and other CCO's on projects with cross-boundary responsibilities and interactions.

4. APPROACH TO GOVERNANCE

4.1 Shareholder

Auckland Transport is a council controlled organisation (CCO) of the Auckland Council. The Council is Auckland Transport's sole shareholder.

4.2 Board of Directors

All decisions relating to the operation of Auckland Transport will be made by, or under the authority of, the Board of Auckland Transport in accordance with its SOI and relevant legislation.

The Board is committed to the highest standards of governance and business behavior. The Board will continue to monitor developments in corporate and public sector governance to ensure Auckland Transport implements the highest standards of governance at all times.

In undertaking its activities, the Board will:

- Ensure sound business practice in its commercial undertakings;
- Use sustainable business practices;
- Act in accordance with the principles of the Treaty of Waitangi;
- Ensure ethical and good behavior in dealing with all parties;
- Act as a good employer, and exhibit a commitment to social and environmental responsibility;
- Take an open and transparent approach to decision-making, while respecting the need for commercially sensitive information to be protected; and
- Take an active partnership approach with Auckland Council and key Auckland Council Group stakeholders.

The Board will also:

- Obtain full and timely information necessary to discharge its obligations fully and effectively;
- Actively review and direct the overall strategy of Auckland Transport;
- Act consistently with the guidelines provided in the Shareholder Expectation Guide for Council Controlled Organisations.
- Actively review its policies and delegations;
- Negotiate SOIs with Auckland Council;
- Monitor the external and internal environment and identify, evaluate and mitigate controllable risk factors;
- Establish Auckland Transport as an effective, focused organisation with core competencies and appropriate systems necessary to carry out its functions;
- Manage and monitor the performance of the Chief Executive;
- Establish remuneration policies and practices, and set and review remuneration for the Chief Executive, and other senior executives; and
- Provide leadership in relationships with key stakeholders.

4.3 Board meetings

Auckland Transport will take an open and transparent approach to decision-making, while respecting the need for commercially sensitive information to be protected. It will make provision for the public to attend Board meetings, but will reserve the right to consider matters in confidence where they deal with commercially sensitive matters, or where necessary to adhere to the "no surprises" communication policy with the Council.

Pursuant to section 96 of the Local Government (Auckland Council) Act 2009, the Board will ensure that the following two specific meetings during each financial year are open to members of the public:

- A meeting to consider the Council's shareholder comments on the draft SOI for the following financial year (to be held in June each year); and

- A meeting to consider Auckland Transport's performance under its SOI in the previous financial year (to be held in August each year).

The specific times and locations of these meetings will be publicly notified in newspapers with a circulation across Auckland, and on the Auckland Transport website.

4.4. Engagement with the Governing Body

Auckland Transport is committed to working closely with the Auckland Council towards the achievement of regional outcomes. Auckland Transport will respect Auckland Council's roles and responsibilities and ensure that there is a mutual sharing of information by adopting a no-surprises approach to communications.

Auckland Transport will ensure that the Auckland Council is kept informed in advance of any matters that may be contentious in the public arena. Auckland Transport will also ensure that its actions give effect to the Auckland Plan and the Long Term Plan, and will act consistently with the shareholder's Accountability Policy and the Shareholder Expectation Guide.

Auckland Transport will provide regular reports on its performance to Auckland Council. This will include quarterly progress reports to the Governing Body on this SOI, including progress towards the implementation of the Programme of Action outlined in section 3, the non-financial performance targets outlined in section 5.1, and the financial performance against the budget in section 5.2. The quarterly and half-yearly reports will be provided not later than two months after the end of the period to which they relate.

An annual report will be provided to Auckland Council no later than 30 September each year. The annual report will include audited consolidated financial statements for the financial year, and an auditor's report on those financial statements and the performance targets and other measures by which performance was judged.

Auckland Transport will meet regularly with the governing body or relevant Council committee to formally present its quarterly, six-monthly and annual reports.

In addition to meeting these formal reporting and meeting obligations, Auckland Transport will continue to provide the Council with regular updates of progress on key issues, as required.

4.5 Engagement with Local Boards

While Auckland Transport is accountable to the Governing Body as shareholder, it also has important relationships with Local Boards. To maintain and develop these relationships, Auckland Transport will:

- Maintain a Local Board Engagement Plan in accordance with the requirements of the Shareholder's Expectation Guide.
- Report to Local Boards as specified in the Local Board Engagement Plan.
- Adequately resource liaison with and reporting to Local Boards.
- Keep informed of local board priorities and objectives in Local Board Plans and ensure that these are considered when preparing budgets and undertaking activities in Local Board areas.
- Ensure that business cases seeking Auckland Council funding take into account Local Board priorities and objectives.
- Provide a works programme to Local Boards in advance of work occurring in their areas so that they can be informed when constituents make enquiries.
- Recognise that in conjunction with Council, Local Boards have a place-shaping role and that Auckland Transport will work with Local Boards where appropriate to achieve this, for example the creation of streetscapes which mirror local identity and history.

Auckland Transport has assessed the transport-related priority projects/initiatives tabulated in each of

the Local Board Plans and will report the status of these projects/initiatives via the quarterly report provided to each Local Board.

4.6 Maori Responsiveness Framework

Auckland Transport will take into account the principles of the Treaty of Waitangi in its engagement with Maori, both with mana whenua (the indigenous population made up of the iwi of Tamaki Makaurau) and mataawaka (the wider Maori population, residents and ratepayers).

Auckland Transport will take into account Auckland Council's Maori Responsiveness Framework through the following measures:

- Auckland Transport's Maori Engagement Framework⁷ will continue to be implemented through all its major projects. Summarised results from this engagement, including from Maori Values Assessments, will be provided via quarterly reports to Auckland Council.
- Auckland Transport will continue to actively support te reo Maori through specific initiatives towards Maori Language Week.
- Auckland Transport will also ensure that waahi tapu are supported through using correct processes both prior to and during project construction.
- Auckland Transport will continue to support iwi leadership with direct engagement as an ongoing relationship with mana whenua.
- Auckland Transport will maintain and improve opportunities for Māori to contribute to land transport decision-making processes to reflect recent amendments to the Land Transport Act 2003.
- Particular attention will be paid to previous requests to improve reporting on the inclusion of interpretative signage and art into new transport infrastructure and renewals especially (but not limited to) those listed in 3.7.

Auckland Transport will also engage with and maintain an effective working relationship with the Independent Maori Statutory Board (IMSB), taking into account the IMSB's schedule of issues of significance.

4.7 Organisational health, safety and capability

Auckland Transport is committed to building and maintaining an enduring and resilient organisation. Auckland Transport will foster a corporate culture that provides an excellent interface and strong relationships with the communities of Auckland and with Auckland Council.

Auckland Transport is committed to the provision of a healthy and safe working environment for all those involved with its numerous activities, including employees, contractors, volunteers and all other persons working or visiting our workplaces. Auckland Transport achieves this through robust procurement and contract management, a system of health and safety processes and procedures, and a comprehensive Wellness programme.

Auckland Transport will participate in an annual staff engagement survey that is relevant to the nature of the organisation's role. If required, Auckland Transport will also take part in the shareholder's group staff engagement survey, using the shareholder's survey provider.

⁷ AT's Maori Engagement Framework outlines the protocols for consultation and engagement at a strategy and project level, leading towards the closer partnership envisaged by Auckland Council.

5. PERFORMANCE MEASUREMENT

5.1 Non-financial performance

Table 1 outlines the performance measurement framework adopted by Auckland Transport for the three-year period covered by this SOI. The performance measures included in the framework will enable Auckland Transport to demonstrate how it is achieving the impacts sought and outline the levels of service it intends to provide.

Auckland Transport will use the following guidelines to report on performance against the targets:

- where performance is within +/- 2.5% of a target, the target will be considered to be **met**;
- where performance is above a target by more than 2.5%, the target will be considered to be **exceeded**; and
- where performance is below a target by more than 2.5%, the target will be considered to be **not met**.

Auckland Transport will continue to work with Auckland Council to enhance its performance measurement framework, to provide mutually acceptable information on both the performance of Auckland Transport and the effectiveness of Council investment. This framework will be aligned with the performance measurement framework in the Integrated Transport Programme (ITP), which Auckland Transport has prepared in conjunction with Auckland Council and NZTA.

Attachment B outlines which performance measures apply to which project/initiative in Programme of Action.

5.2 Financial Performance

Attachment D summarises Auckland Transport's financial projections for the years 2014/15 to 2016/17. The following information is included:

- Prospective statement of comprehensive income 2015-2017
- Prospective funding impact statement 2015-2017
- Prospective statement of financial position 2015-2017
- Prospective statement of cash flows 2015-2017
- Prospective funding impact statement by activity for the year ending 30 June 2015
- Summary of capital expenditure for the year ending 30 June 2015

Variances between these statements and Auckland Council numbers are due to efficiency targets being allocated to income.

Table 1: Performance Targets 2014/15 To 2016/17⁸

Impact	Performance Measure	Recent Performance	Target 2013/14 (from previous SOI) ⁹	Target 2014/15	Target 2015/16	Target 2016/17
1. Better use of transport resources to maximise return on existing assets	1.1 Public transport subsidy per passenger kilometre (CPI adjusted to June 2012)	\$0.27	\$0.27	\$0.29	\$0.29	\$0.29
	1.2 Parking: off-street occupancy ¹⁰ rates (peak 4-hour period)	84.67% (average for Sept-Dec 2013) ¹¹	Within 80-90% range	Within 80-90% range	Within 80-90% range	Within 80-90% range
	1.3 Parking: on-street ¹² occupancy rates (peak 4-hour period)	64.95% (average of quarterly surveys: April-June and July-Sept 2013) ¹³	Within 80-90% range	Within 70-90% range	Within 70-90% range	Within 70-90% range
2. Increased customer satisfaction with transport infrastructure and services¹⁴	2.1 Percentage of public transport passengers satisfied with their public transport service	79.9% (Average for May 2013 & Oct 2013)	87% *	83%	Improve on baseline from previous year	Improve on baseline from previous year
	2.2 Percentage of residents satisfied with the quality of roads in the Auckland region	68% (Average for May 2013 & Nov 2013)	No less than 75%*	70%	70-75%	No less than 75%
	2.3 Percentage of residents satisfied with the quality of footpaths in the Auckland region	61% (Average for May 2013 & Nov 2013)	No less than 75%*	65%	65- 75%	No less than 75%
3. Auckland's transport network moves people and goods efficiently	3.1 Arterial road network productivity ¹⁵ : % of road corridor productivity maintained or improving on key arterial routes ¹⁶ : <ul style="list-style-type: none"> • Airport to CBD (via Manukau Rd) • St Lukes to St Johns (via Balmoral/Greenlane West/Greenlane East/Remuera Rd) • Albany to Birkenhead (via Glenfield Rd) • Henderson to CBD (via Great North Rd) 	55.4% of the corridor productivity ideal	51% of the ideal achieved	53% of the ideal achieved	54% of the ideal achieved	55% of the ideal achieved

⁸ The focus of this SOI is on targets for 2014/15. Targets for 2015/16 and 2016/17 will be reviewed in future SOIs once updated baseline results are available

⁹ See Attachment C for a summary of changes to measures and targets from the previous SOI.

¹⁰ Off-street parking occupancy measures Civic, Downtown and Victoria St car park buildings.

¹¹ Results prior to September 2013 are not included as the AT-owned car park on K Rd was closed in August 2013.

¹² On-street parking occupancy is surveyed once a quarter in 3 central city parking zone precincts: Shortland/High Sts, K Road & Wynyard Qtr

¹³ Results for Oct-Dec 2013 are not included as an on-street car parking survey was completed during that quarter.

¹⁴ Customer satisfaction targets in the 2013-16 SOI were included at the direction of the shareholder and were based on Council's 5-pt rating scale. Targets for years 2014-15-2016/17 are based on AT's 11-pt rating scale.

¹⁵ Road Corridor Productivity is measured by: # 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, an AT corridor 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)

¹⁶ The number of routes for this measure has been extended in order to provide for a wider coverage of the arterial road network.

	<ul style="list-style-type: none"> • SH1 to Ti Rakau Dr (via Te Irirangi Dr)* • SH20 to Portage Rd (via Tiverton/Wolverton Rd)* 																																									
	3.2 Travel times along strategic freight routes ¹⁷ during the inter-peak (9am-4pm) for 85 th percentile (i.e. 85% of trips on the route are made within the travel time indicated)	2012/13 85% of trips were travelled within these times	Maintain baseline travel times for 85 th percentile for all routes except from SH1 to SH20 via Nielson St, which is to reduce by 1 minute - from 13 minutes to 12 minutes	Maintain baseline travel times for 85th percentile	Maintain baseline travel times for 85 th percentile	Maintain baseline travel times for 85 th percentile																																				
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	3.3 Annual total public transport boardings (000)	69,075 (2012/13)	74,378	73,686	77,183	79,903																																				
	3.4 Annual Rapid Transit Network rail boardings (000)	10,039 (2012/13)	11,440	12,100	13,665	15,005																																				
	3.5 Annual Rapid Transit Network busway boardings (000)	2,279 (2012/13)	2,456	2,511	2,635	2,759																																				
	3.6 Annual Bus network boardings excluding busway (including contracted school buses) (000)	51,251 (2012/13)	54,763	53,695	55,292	56,375																																				
	3.7 Annual Ferry boardings (000) ¹⁹	5,170 (2013/14)	5,719	5,380	5,580	5,780																																				

¹⁷ The routes denoted with * have been added since the previous SOI in order to provide a wider picture of the performance of the arterial road, and strategic freight, networks.

¹⁸ Nielson St has been removed from the list of monitored strategic freight routes due to construction works on or around the route. Following completion of works, AT will assess the viability of reintroducing the route into the monitored route list.

¹⁹ Ferry patronage baseline and targets have been normalised to account for a forecast reduction in the SOI base year 2013/14 patronage as a result of incorrect over-reporting by Fullers Group Ltd on the Waiheke / Devonport ferry patronage between November 2011 and December 2013.

	3.8 Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads.	STE for urban roads: 82% STE for rural roads: 93% for rural roads	New measure	Not less than 82% for urban roads and not less than 92% for rural roads	Not less than 82% for urban roads and not less than 92% for rural roads	Not less than 82% for urban roads and not less than 92% for rural roads
4. Increased access to a wider range of transport choices	4.1 Walking trips into the CBD during the morning peak	4,633 (one day survey in March 2013)	5,400	5,500	5,600	5,700
	4.2 Cycling trips in designated areas ²⁰ in Auckland: <ul style="list-style-type: none"> • during the morning peak; and • all day 	122,201 morning peak (2012/13) 835,446 all day (2012/13)	129,300 (morning peak) ²¹ 871,000 (all day)	142,200 (morning peak) 958,000 (all day)	156,400 (morning peak) 1,054,000 (all day)	172,000 (morning peak) 1,159,400 (all day)
	4.3 Number of morning peak (7-9am) car trips avoided through travel planning initiatives	14,781 (2012/13)	12,800	16,700	17,500	18,400
5. Improved safety of Auckland's transport system	5.1 Total fatal and serious injuries on local road network ²²	382 (year to 31 Dec 2011) 354 (year to 31 Dec 2012) Data for 2013 not yet available	2% reduction from previous year	Fewer than 340 (2.66% reduction from previous year)	Fewer than 331 (2.66% reduction from previous year)	Fewer than 322 (2.66% reduction from previous year)
	5.2 Public and customer safety and security incidents across public transport network per 1,000,000 passenger boardings	0.54 (2012/13)	0.925	0.90	0.90	0.90
6. Reduced adverse environmental effects from Auckland's transport system	6.1 CO2 emissions from rail network	30.0 ktCO2e (year to 30 June 2012)	Reduce baseline	No more than 25.5 ktCO2e	No more than 9.0 ktCO2e	No more than 9.0 ktCO2e

²⁰ The nine sites are 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 (E/bound); and Twin Streams path.

²¹ The baseline for cycling trips throughout the region during the morning peak listed in the 2013-16 SOI (88,357) was incorrect. As it was used to calculate the target for 2013/14, the target listed of 97,200 was also incorrect. The correct baseline for 2011/12 is 106,828 and the revised target for 2013/14 is 129,300. The baselines and targets for cycling trips over the whole day are unadjusted.

²² The figures for fatal and serious injuries are reported on a calendar year basis. Results for 2013 will not be available until mid-2014, after this SOI is finalised.

6. ACCOUNTING POLICIES

Auckland Transport will comply with the accounting and disclosure practices set out in all the relevant Financial Reporting Standards issued by the External Reporting Board as periodically updated and as required by the Financial Reporting Act 1993.

Auckland Transport's accounting policies are consistent with GAAP. If Auckland Transport's accounting policies are not the same as Auckland Council policies, Auckland Transport will provide further information to Auckland Council for group consolidation purposes if required.

A statement of Auckland Transport's accounting policies is provided in the Annual Report 2013 (pages 69-79), which is available on AT's website.

6.1 Ratio of equity to total assets

Auckland Transport's ratio of equity to total assets is as follows:

Equity	\$15,532,647,000
Total assets	\$16,282,809,000
Ratio of shareholder funds to total assets	95%

Notes:

- Equity is the total of Contributed Equity, Revaluation Reserve and Retained Earnings.
- Total Assets are defined as Net Book Value of Current Assets, Investments and Fixed Assets as disclosed in Auckland Transport's Statement of Financial Position
- The ratio of equity to total assets is equity divided by total assets

6.2 Distributions to Auckland Council

Auckland Transport does not anticipate making a distribution to Auckland Council as Auckland Transport is funded at a level to undertake the operating and capital programmes agreed with the Council

6.3 Commercial value of Auckland Council's investment

While Auckland Transport's assets are valued every three years, Auckland Transport does not have a commercial value per se. The value associated with the operation of Auckland Transport is in the delivery of public goods and benefits to the Auckland community.

6.4 Procedures for purchasing shares in other companies

The Board of Auckland Transport will consider any share investment proposals. Any decision to invest in or divest shares in another company or to enter into a joint venture relationship or participation arrangement through equity agreements will be made by the Board in consultation with Auckland Council.

Where the Special Consultative Procedure needs to be followed, Auckland Transport will work with Auckland Council prior to undertaking that process to ensure the Council is fully aware of the process being followed. Consultation with the shareholder will address the nature of any significant increase in risk exposure or the potential to raise public interest.

6.5 Management of strategic assets

The Board will comply with Auckland Council's Accountability Policy and seek the Council's prior approval for all major transactions relating to Auckland Transport's strategic assets.

For the purposes of Auckland Council's Accountability Policy, Auckland Transport's strategic assets are defined as those that comprise elements of the roading and public transport networks that are integral to the functioning of the whole. These are as follows:

- Britomart Transport Centre;
- Rapid Transit Network;
- Regional arterial road network;
- Rail stations;
- Busway stations; and
- Quality Transit Network ferry terminals.

Wherever possible, Auckland Transport will protect heritage assets in transport corridors for which it is responsible. Auckland Transport is currently working with Auckland Council to identify all Auckland Transport owned and managed heritage assets. That work forms part of a wider piece of work currently underway to produce a Heritage Asset Management Plan for all Auckland Council and CCO owned and managed heritage assets.

Attachment A: Auckland Transport's Impacts

Better use of transport resources to maximise return on existing assets

Maximising the return on existing assets delivers significant benefits and achieves value for money, ensuring that the rate-payer's dollar goes further whilst not compromising quality. Better use of resources will also contribute to reducing adverse impacts of the transport system on the environment and help contribute towards the Auckland Plan's greenhouse gas emissions reduction targets.

Increased customer satisfaction with transport infrastructure and services

Transport is not an end in itself. People and businesses rely on the transport system to access economic, social, educational, medical, social and cultural opportunities. It is essential that customers are satisfied with the transport system they rely on for their quality of life.

Auckland's transport network moves people and goods efficiently

Congestion on the road network impedes business activity; therefore, the efficient movement of people and goods on Auckland's road network is critical to the region's economic prosperity. Moreover, the more efficiently people and goods can be moved, the less time they are travelling in vehicles releasing pollutants; thereby reducing the adverse environmental impacts of the transport system.

Increased access to a wider range of transport choices

Accessibility directly affects the region's social, economic, environmental and cultural wellbeing. Providing access to a wide range of transport options enables people to travel to work, engage in recreation and leisure activities, socialise with friends and family, and undertake business activities. Accessibility to a wider range of transport choices is also key to reducing reliance on private vehicle use. However, it is essential that those transport choices are also reliable and safe. Commuters need to regard public transport, walking and cycling as viable alternatives to using private vehicles. In order to achieve that, an increase in priority needs to be given to the provision of infrastructure and services for pedestrians and cyclists within the wider transport system (e.g. walking and cycling facilities that improve access to public transport). Increased patronage of public transport and active modes will, in turn, free up the road network for commercial trips, and provide the region with health and environmental benefits.

Improved safety of Auckland's transport system

It is essential that Auckland has a transport system that provides for the safety of all road users, public transport passengers, cyclists and pedestrians. Fatal and serious crashes carry significant and tragic social costs. In addition, road crashes lead to serious disruption on the region's road network, which in turn carries economic impacts.

Reduced adverse environmental effects from Auckland's transport system

Auckland's transport system is a large source of adverse environmental effects. Motor vehicles in particular, are a major contributor to greenhouse gas emissions. Providing residents with viable transport options (such as public transport, walking and cycling) will help reduce motor vehicle reliance in Auckland, thereby providing health and environmental benefits for the region. Moreover, this will assist Auckland Council to achieve the Auckland Plan's greenhouse gas emissions reduction targets, including Council's aspirational target to reduce GHG emissions by 40% by 2040 based on 1990 levels.

Attachment B: Programme of Action and Performance Measures

The table below lists the activities and initiatives comprising the Programme of Action and the number of the performance measure (as provided in Table 1) to which it relates

Programme of Action Activity/Initiative	Performance Measure #
A.1 Complete the Auckland Regional Land Transport Plan by June 2015	1.1 – 6.1
A.2 Undertake planning and route protection for major new transport initiatives, including: <ul style="list-style-type: none"> • City Rail Link • South-Western Multimodal Airport Rapid Transit (SMART) network • East-West Link (in conjunction with NZTA), including public consultation on the development and progression of a preferred option • Penlink • Auckland-Manukau Eastern Transport Initiative (AMETI) • Lincoln Road Corridor Improvements • Mill Road Improvements • Wynyard Quarter (Integrated Road Programme) 	1.1, 2.1, 3.1 – 3.6 & 6.1
B. 1 Construction of the following projects to be completed by June 2015: <ul style="list-style-type: none"> • Complete delivery of 57 trains • AMETI Package 1, Phase 1 (Link Road, Watercare and mitigation works) • Flatbush School Road / Murphy's Road Intersection Upgrade • Onewa Road Bus Lane (West Bound) • Matakana Valley Road (Seal Extension) • NORSGA Plan Change 14 (Hendrika Court Extension) • Walking and cycling projects including: <ul style="list-style-type: none"> • Dominion Road Parallel Cycle Route • Great South Road, Papakura • Bridge Street, Papatoetoe • St George Street, Papatoetoe • Browns Road, Manurewa • Station Road, Manurewa • Upper Harbour Drive, Upper Harbour • Beach Road Cycle Route, CBD • Tiverton Road – Wolverton Street Parallel Cycle Routes, New Windsor 	1.1, 2.1, 2.2, 2.3, 3.1, 3.2, 3.3, 3.4, 3.6, 4.2, 5.1 & 6.1
B.2 Construction of the following projects to start in 2014/15: <ul style="list-style-type: none"> • Swanson Station Upgrade • Albany Highway Upgrade (including 7.6km of bus lanes - 3.8km both sides) • NORSGA Plan Change 15 (Fred Taylor Widening Stage 1) • NORSGA Plan Change 15 (Westgate Street Upgrade 1) • NORSGA Plan Change 15 (Westgate Bus Interchange 1) • Double Decker Bus (Network Mitigation Works) • On Street Parking Machines (Asset Replacement) • Te Atatu Corridor Improvement (including Walking & Cycling) • Otahuhu Bus Interchange • Manukau Bus Interchange (Lot 59) • Pukekohe Station Upgrade (including Park and Ride) 	1.1, 2.1, 2.2, 2.3, 3.1, 3.2, 3.3, 3.4, 3.6, 4.2, 5.1 & 6.1
C.1 Complete maintenance and renewal programme for roading and public transport assets.	1.1 – 6.1
C.2 Let contracts for new public transport services using new public transport operating model.	1.1, 2.1, 3.1 – 3.7
C.3 Introduce new zone-based integrated fare system across the public transport network	1.1, 2.1, 3.1 – 3.7
C.4 Extend signal optimisation on the arterial road network	3.1 & 3.2
C.5 Road safety operations including safety around schools programme, road safety education, promotion and training targeting at-risk road users	4.3 & 5.1

C.6 Coordinate School, Tertiary, Area and Workplace Travel Plans	4.3 & 5.1
C.7 Auckland Transport will support Mataranga Maori with interpretive signage and/or artworks within major projects, subject to allocated budget. Support for Maori narratives over place will be provided across the following programmes: <ul style="list-style-type: none"> • AMETI; • City Rail Link; and • Other major projects as budget allows. 	n/a
C.8 Manage the Transport Management Plans and provide special event transport services for significant annual, and other, events.	2.1, 3.1 – 3.7
C.9 Continue to provide input to Auckland Council's Special Housing Areas project.	n/a
C. 10 Work with Auckland Council Property Limited to identify surplus non-strategic properties for disposal.	n/a

Attachment C: Changes to performance measures and targets since last SOI

The following schedule summarises the material changes to performance measures and/or targets that have been introduced in this SOI, and the reasons for those changes. Refer to Table 1 for the full list of performance measures and targets, including the changes outlined here.

Performance measure	Change from previous SOI	Reason for change
1.1 Public transport subsidy per passenger kilometre	Targets have been amended.	Previous SOI targets were based on estimates of passenger kilometres travelled. The HOP rollout has enabled a more accurate calculation of passenger kilometres travelled (for rail) and necessitated a recalibration of targets. The calibration for bus is likely to occur in the next financial year once sufficient bus data has been collated to enable a more accurate calculation for bus.
1.2 Parking: off-street occupancy rates (peak 4-hour period)	Previous measure of all day off-street parking occupancy measure removed	Average occupancy across the whole day provides limited information about supply and demand issues. All day occupancy can vary from approx. 10% to 100%. An average of the entire day does not provide accurate information about supply and demand issues. Peak parking occupancy allows greater emphasis on actual occupancy issues; range reflects balance between supply and demand
1.3 Parking: on-street occupancy rates (4-hr peak period)	All day on-street parking occupancy measure removed Target adjusted to from 80-90% occupancy range to 70-90% occupancy range	As above 70-90% occupancy target is consistent with the tariff trigger range in AT's Parking Policy.
2.1 Percentage of public transport passengers satisfied with their public transport service	PT passenger satisfaction target adjusted. Percentage of residents satisfied with the quality of footpaths in their local area removed.	AT had proposed amendments to the customer satisfaction targets to reflect a move to an improved survey method using an 11-point satisfaction scale, and removing neutral responses from the calculation of satisfaction. Targets based on new methodology and recent results using new scale.
2.2 Percentage of residents satisfied with the quality of roads in the Auckland region		
2.3 Percentage of residents satisfied with the quality of footpaths in the Auckland region		
3.1 Arterial road network productivity	Two additional routes added: SH1 to Ti Rakau Dr (via Ti Irirangi Dr); and SH20 to Portage Rd (via Tiverton/Wolverton Rd) Targets amended from 52% of	Provides a wider picture of the productivity of Auckland's arterial road network. Based on recent performance, target

	ideal achieved to 53-55% respectively of ideal achieved.	of 53-55% regarded as more appropriate.
3.2 Travel times along strategic freight routes	Nielson St removed from list of routes. Two additional routes added: Great South Rd (SH1 Ellerslie Panmure Hwy Interchange to Portage Rd); Great South Rd (Portage Rd to SH1 Ellerslie Panmure Hwy Interchange)	Continued construction works on or around the route. Provides a wider picture of the productivity of Auckland's strategic freight network.
3.3 Annual total public transport boardings	Patronage targets have been amended from previous SOI and LTP targets.	Targets have been revised based on lower starting baseline patronage.
3.4 Annual Rapid Transit Network rail boardings		
3.5 Annual Rapid Transit Network busway boardings		
3.6 Annual Bus network boardings excluding busway (including contracted school buses)		
3.7 Annual Ferry boardings		
3.8 Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all roads urban and rural roads	New measure added to the SOI	STE is a useful measure to ascertain the quality of Auckland's roads.
4.2 Cycling trips in designated areas in Auckland: <ul style="list-style-type: none"> during the morning peak all day 	Measure description amended from "cycling trips throughout the region". Morning peak targets adjusted	More accurate description of the scope of the measure. Targets adjusted as incorrect baseline result for 2011/12 included in previous SOI.
4.3 Number of morning peak (7-9am) car trips avoided through travel planning initiatives	Targets amended	Previous targets already exceeded
5.1 Total fatal and serious injuries on local road network	Targets amended	2.66% decrease considered a more appropriate target than the previous 2% decrease target based on results from past few years.

Attachment D: Financial Projections

Prospective statement of comprehensive income Auckland Transport

\$000	Annual Plan 2014	Final Annual Plan 2015	Budget 2016	Budget 2017
Financial year ending 30 June				
Revenue				
Operating funding from Auckland Council	230,138	235,583	253,181	224,567
Capital funding from Auckland Council	128,140	134,501	150,060	166,264
Fees and user charges	142,407	152,016	163,248	216,853
Operating subsidy from NZTA	221,331	227,178	242,665	245,448
Capital subsidy from NZTA	177,639	181,918	136,022	141,920
Other capital subsidies and grants	0	0	206,526	152,515
Other revenue	8,677	8,677	8,903	9,143
Total revenue	908,333	939,874	1,160,605	1,156,710
Expenditure				
Employee benefits	80,858	91,117	96,530	99,801
Depreciation and amortisation	253,422	266,001	280,309	294,254
Other operating expenses: Public Transport	351,883	368,188	389,072	410,524
Other operating expenses: Roads and Footpaths	115,619	109,044	116,226	121,309
Other operating expenses: Parking Operations	35,188	24,332	25,593	26,178
Total expenses	836,970	858,682	907,729	952,066
Finance expense	18,285	27,264	35,691	32,633
Net operating income	53,077	53,928	217,185	172,010
Surplus/(deficit) before income tax	53,077	53,928	217,185	172,010
Income tax expense	0	0	0	0
Surplus/(deficit) after income tax	53,077	53,928	217,185	172,010
Surplus/(Deficit) after income tax is attributable to:				
Auckland Transport	53,077	53,928	217,185	172,010
	53,077	53,928	217,185	172,010
Other comprehensive income				
Net gain on revaluation of property, plant and equipment	221,664	1,956	0	839,559
Total other comprehensive income	221,664	1,956	0	839,559
Total comprehensive income	274,741	55,884	217,185	1,011,569

Prospective funding impact statement
Auckland Transport

\$000	Annual Plan 2014	Final Annual Plan 2015	Budget 2016	Budget 2017
Financial year ending 30 June				
OPERATING EXPENDITURE				
Total operating expenditure	855,255	885,946	943,420	984,700
<i>Less depreciation and amortisation</i>	<i>(253,422)</i>	<i>(266,001)</i>	<i>(280,309)</i>	<i>(294,254)</i>
	601,834	619,945	663,111	690,445
Principal repayments	719	3,510	4,885	5,566
Operating expenditure to be funded	602,553	623,455	667,996	696,011
Sources of operating funding:				
Operating funding from Auckland Council	230,138	235,583	253,181	224,567
Fees and user charges	142,407	152,016	163,248	216,853
Operating subsidy from NZTA	221,331	227,178	242,665	245,448
Other revenue	8,677	8,677	8,903	9,143
Total operating funding	602,553	623,455	667,996	696,011
Operating funding surplus / (deficit)	0	(0)	(0)	0
CAPITAL EXPENDITURE				
Total capital expenditure	859,471	733,404	761,587	892,097
Comprised of:				
Growth	48,526	46,466	76,191	98,778
Improve level of service	598,955	491,617	461,073	560,697
Renewals	211,990	195,321	224,323	232,621
Total application of capital funding	859,471	733,404	761,587	892,097
Sources of capital funding:				
Capital funding from Auckland Council	128,140	134,501	150,060	166,264
Investment by Auckland Council	423,692	234,985	258,979	431,398
Loans from Auckland Council	130,000	182,000	10,000	0
Capital subsidy from NZTA	177,639	181,918	136,022	141,920
Other capital subsidies and grants		0	206,526	152,515
Total capital funding funding	859,471	733,404	761,587	892,097
Capital funding surplus / (deficit)	0	0	0	0
MOVEMENT IN BORROWING				
Opening borrowing	191,244	352,335	530,825	489,940
Borrowing to fund capital expenditure	130,000	182,000	10,000	0
Other movements	0	0	(46,000)	0
Principal repayments	(719)	(3,510)	(4,885)	(5,566)
Closing borrowing	320,525	530,825	489,940	484,374

Prospective statement of financial position

Auckland Transport

\$000	O/Balance Annual Report 2013	Annual Plan 2014	Final Annual Plan 2015	Budget 2016	Budget 2017
Financial year ending 30 June					
ASSETS					
Current assets					
Cash and cash equivalents	10,862	-	-	-	-
Debtors and other receivables	213,089	186,428	186,430	140,430	140,430
Other financial assets	867	1,174	1,174	1,174	1,174
Inventories	4,496	5,160	5,160	5,160	5,160
Total current assets	229,314	192,762	192,764	146,764	146,764
Non-current assets					
Debtors and other receivables	46,000	57,874	57,874	57,874	57,874
Property, plant and equipment	14,497,378	15,531,972	16,001,330	16,582,241	18,019,642
Intangible assets	72,990	30,841	30,841	30,841	30,841
Total non-current assets	14,616,368	15,620,687	16,090,045	16,670,956	18,108,357
TOTAL ASSETS	14,845,682	15,813,449	16,282,809	16,817,720	18,255,121
LIABILITIES					
Current liabilities					
Derivative financial instruments	7,423	3,800	3,800	3,800	3,800
Creditors and other payables	181,689	176,933	145,123	145,123	145,123
Employee entitlements	8,618	7,831	7,831	7,831	7,831
Borrowings	1,351	211,244	57,658	5,566	5,919
Total current liabilities	199,081	399,808	214,412	162,320	162,673
Non-current liabilities					
Derivative financial instruments	22,917	50,663	50,663	50,663	50,663
Employee entitlements	851	900	900	900	900
Borrowings	220,962	109,281	473,167	484,374	478,455
Deferred tax liabilities	9,173	11,020	11,020	11,020	11,020
Total non-current liabilities	253,903	171,864	535,750	546,957	541,038
TOTAL LIABILITIES	452,984	571,672	750,162	709,277	703,711
NET ASSETS	14,392,698	15,241,777	15,532,647	16,108,443	17,551,410
EQUITY					
Contributed equity	12,945,914	13,267,705	13,502,692	13,761,670	14,193,068
Accumulated funds	319,136	353,490	407,418	624,603	796,613
Reserves	1,127,648	1,620,580	1,622,536	1,622,536	2,462,095
Total ratepayers equity	14,392,698	15,241,775	15,532,647	16,008,810	17,451,777
Non-controlling interest					
TOTAL EQUITY	14,392,698	15,241,775	15,532,647	16,008,810	17,451,777

Prospective statement of cashflows
Auckland Transport

\$000	Annual Plan 2014	Final Annual Plan 2015	Budget 2016	Budget 2017
Financial year ending 30 June				
Cashflow from operating activities				
Cash provided from:				
Income from activities	151,084	160,694	172,150	225,996
Operating funding from Auckland Council	230,138	235,583	253,181	224,567
Capital funding from Auckland Council	128,140	134,501	150,060	166,264
Grants and subsidies	398,970	409,096	585,213	539,883
Total cash provided	908,333	939,874	1,160,605	1,156,710
Cash applied to:				
Payments to suppliers and employees	601,834	619,945	663,111	690,445
Total cash applied	601,834	619,945	663,111	690,445
Net cash from operating activities	306,499	319,929	497,494	466,265
Cashflow from investing activities				
Cash applied to:				
Capital expenditure projects	859,471	733,404	761,587	892,097
Total cash applied	859,471	733,404	761,587	892,097
Net cash from investing activities	(859,471)	(733,404)	(761,587)	(892,097)
Cashflow from financial activities				
Cash provided from:				
Loan from Auckland Council	130,000	182,000	10,000	0
Capital contribution from Auckland Council	423,692	234,985	258,979	431,398
Total cash provided	553,692	416,985	268,979	431,398
Cash applied to:				
Principal repayments	719	3,510	4,885	5,566
Total cash applied	719	3,510	4,885	5,566
Net cash from financing activities	552,973	413,475	264,094	425,832
Net (decrease)/increase in cash and cash equivalents	0	0	(0)	0
Opening cash balance	10,862	-	-	-
Closing cash balance	10,862	0	(0)	0

Auckland Transport

Prospective funding impact statement by Activities

\$000	Roads	Footpaths	Management of travel demand	Multi-modal	Bus	Ferry	Rail	Off-street parking	On-street parking & enforcement	Internal support	Total
Total operating expenditure	328,042	11,605	11,330	52,524	190,479	21,172	197,959	20,244	28,357	24,235	885,946
Less depreciation and amortisation	(203,801)	(8,199)	(8)	(13,866)	(1,682)	(2,418)	(27,749)	(7,728)	(551)	0	(266,001)
	124,241	3,406	11,322	38,658	188,797	18,754	170,210	12,516	27,806	24,235	619,945
Principal repayments							3,510				3,510
Operating expenditure to be funded	124,241	3,406	11,322	38,658	188,797	18,754	173,720	12,516	27,806	24,235	623,455
Operating expenditure funded by:											
Opex funding from Auckland Council	79,919	3,406	4,795	16,358	90,615	7,968	71,902	-13,996	-25,383	0	235,584
Fees and user charges	3,216				12,742	4,453	33,621				54,032
Subsidies and grants	32,428	0	6,527	17,459	85,440	6,333	68,197			10,793	227,178
Other revenue	8,677			4,840				26,512	53,190	13,442	106,661
Total opex funding	124,241	3,406	11,322	38,657	188,797	18,754	173,720	12,516	27,807	24,235	623,455
Operating funding surplus / (deficit)	0	0	0	0	0	0	0	0	0	0	0
Total capital expenditure	308,608	51,774	0	16,175	47,808	4,300	290,385	3,410	3,644	7,300	733,404
Capital expenditure to be funded	308,608	51,774	0	16,175	47,808	4,300	290,385	3,410	3,644	7,300	733,404
Capital Expenditure funded by											
Capex funding from Auckland Council	103,051	4,146	4	7,011	850	1,222	14,031	3,907	278	0	134,501
Investment by Auckland Council	58,987	42,637	-4	7,449	30,722	1,018	84,008	-497	3,366	7,300	234,985
Loans from Auckland Council	0	0	0	0	0	0	182,000	0	0	0	182,000
Grants and subsidies	146,570	4,991	0	1,715	16,236	2,060	10,346	0	0	0	181,918
Total capex funding	308,608	51,774	0	16,175	47,808	4,300	290,385	3,410	3,644	7,300	733,404
Capital funding surplus / (deficit)	0	0	0	0	0	0	0	0	0	0	0

Revised Auckland Transport Capital programme for 2014/15

(fit the new funding envelope, reducing AC funding by \$100 million)

Project Description	Annual Plan '000s	Revised Annual Plan '000s	Comments
Renewals			
Renewals Programme (including Roads, Public Transport, Footpaths, Parking, Drainage, etc.)	219,688	195,321	Funding renewals is a statutory requirement, reduced to a minimum, individual projects are prioritised within the programmes
Total Renewals	219,688	195,321	
Operational and Paid Parking Technology			
On Street Parking Machines	2,299	4,299	Essential funding for replacement, reliability & revenue improvement
Devon Lane Carpark	-	2,400	Revenue generating
Other Projects <\$2M	1,886	1,805	
Total Operational and Paid Parking Technology	4,185	8,504	
General AT Asset Replacement			
Online Programme	2,900	2,900	Core AT operational infrastructure.
Staff Relocation - Building Fitout	-	2,266	
Fleet Vehicle Replacement	2,250	250	
Other Projects <\$2M	3,350	3,640	
General AT Asset Replacement	8,500	9,056	
Digital Technology (supporting PT)			
IT - CCTV Convergence (ATOC)	1,850	1,850	Core AT operational infrastructure.
PT On Street Information & Retail Capex	2,500	1,083	
PT Real Time Passenger Information Sys	1,675	1,675	
IntelligentTransport Programme	-	1,160	
Other Projects <\$1M	1,000	1,000	
Total Digital Technology <\$2M	7,025	6,769	
Public Transport and Travel Demand Management			
City Rail Link	69,775	77,061	
EMU Procurement and Depot	215,163	215,234	
AIFS (Integrated Fares and Expansion)	9,100	9,100	
Manukau Bus Interchange (Lot 59)	6,000	3,809	Reduced the 2014/15 spend based on the current on design profile
Otahuhu Bus Interchange	11,218	6,331	Reduced the 2014/15 spend based on the current on design profile
Pukekohe Stn Upgrade	1,000	1,000	
Minor PT Capex - bus stops, minor improvements at stations, wharves and provision of PT information	5,829	5,263	
Double decker network mitigation works	5,800	3,000	Scope reduced to reflect budget constraints
Swanson Station upgrade	3,700	2,714	Delivering PnR, station upgrade deferred due to funding constraints
Parnell Train Station	7,500	150	Project largely deferred (some design considerations) due to budget constraints
Newmarket Crossing	3,790	1,174	Spend aligned to current programme
Bus Priority Improvements & Transit Lanes	4,940	4,116	T3 laning budget reduced to permit double decker enabling works to progress
Other Projects <\$2M	13,163	8,744	
Total Public Transport and Travel Demand Management	356,977	337,697	

Revised Auckland Transport Capital programme for 2014/15

(fit the new funding envelope, reducing AC funding by \$100 million)

Project Description	Annual Plan '000s	Revised Annual Plan '000s	Comments
Roads			
Local Board Initiatives	7,832	10,000	
NORSGA	21,237	21,999	
Safety Programmes	23,778	22,444	
AMETI	72,889	35,464	
Albany Highway Upgrade	17,280	17,076	Project tender accepted for construction
Flat Bush School Rd Upgrade - STAGE 4	2,858	2,857	
St Lukes Intersection	1,200	5,518	Contribution to NZTA project (St Lukes) for works on Great North Road (bus lane).
Lincoln Rd - Corridor Improvements	4,668	3,168	Reduced spend on willing seller of property.
Network Performance	2,955	2,000	
Mill Road Improvements	1,983	1,918	
Wynyard Quarter - Integrated Rd Prog	4,333	600	No budget in 15/16. Nov 2014 Board paper to be prepared.
Dominion Road Corridor Upgrade	14,615	1,048	Cycleway underway. Construction on hold pending CCFAS2 and funding outcomes.
Te Atatu Rd : Corridor Improvements	5,913	988	Project on hold as no funds 15/16. Reduced spend in construction.
Quay Street Seawall Seismic Upgrade	3,000	150	Project on hold as no 15/16 budget. Will look to trial design solution \$500k if OP allows
East West Link	3,000	1,397	NZTA led project. Reduced 2014/15 spend - design work progressing
Warkworth Western Collector	3,136	-	Lower ITP priority, no legal commitments, below the funding line
Ormiston Rd Widening (TI Dr-Chapel)	3,000	3,000	
Other Projects <\$2M	29,517	22,383	
Total Roads	223,194	152,011	
Walking and Cycling Programme			
Dominion Road Corridor Upgrade (Cycle Path)	-	3,946	Part of Dominion Road corridor budget committed
Beach Road Cycle Route	2,718	4,867	Walking & Cycling priority
Upper Harbour Drive Cycle Scheme	791	1,044	Walking & Cycling priority
Waterview C/W connection	1,701	734	Walking & Cycling priority
Cycleway: Don Buck (Triangle to SH16)	-	1,283	Walking & Cycling priority
Mangere Safe Routes Scheme	945	1,397	Safety priority
Other Projects <\$1M	7,311	10,777	Increased spend (Mayoral Priority).
Total Walking and Cycling	13,466	24,047	
Revised Total Transport Capex	833,036	733,404	