

Business Report – June 2011

INTRODUCTION

This Report provides the Board an overview, status and direction for each division of Auckland Transport (AT).

1 PEOPLE and SERVICES (Simon Harvey)

Human Resources

1.1 Executive Summary

The general trends across the organisation in the previous six months continue with turnover now sitting at 8.46%. This again is a positive aspect, but cognizance is also given to the flat labour market. Agency spend was again nil for the month with our online talent pool now in excess of 4,000 (registered job seekers on recruitment system). We will further develop our careers website to continue the growth of interested candidates.

The Health and Safety reporting has been updated to now include Lost Time Injury statistics. This includes employees and contractors. Please refer to the separately attached May 2011 Statistics Report.

Auckland Transport employees at Henderson gave blood during the month and the exercise will be replicated in conjunction with Auckland Council shortly.

The **innovATe** programme launched in May has received a pleasing level of genuine ideas. The ideas will be worked through and improvements implemented where applicable. The next new initiative to be launched shortly is the **motivATe** programme. This programme includes staff from across the business working as career mentors for others to learn from in regards to progressing their job aspirations. A succession planning exercise will commence shortly.

The relationship with the union continues to develop and we seek to include their input on the continued engagement of staff at Auckland Transport.

1.2 Appointments / Payments / Records

- The workforce statistics for Auckland Transport in May is made up of 943.30 FTE, which is made up of 961 headcount.
- Positions recruited into for May are 19, with 9 being internal appointments and 10 external, none of the recruitment for May was done through agencies. The number of new starters for May is 11 which are consisting of 9 permanent staff and 2 fixed terms. These appointments are mainly in the COO Division.
- The number of vacancies that have been opened for recruitment has increased this month to 38 from 22 last month.

Job Evaluation Review

The newly identified bench mark roles have all been re-evaluated and the grid process completed. The next step in the process is for the final job evaluation questionnaires to be reviewed and slotted into the new grid. Final communications to all managers and staff of any changes to the banding of their roles will be completed by the end of June.

1.3 Health and Safety

- There were fourteen reported staff incidents in May. These were six non serious harm injuries, seven threats of violence to staff and one minor motor vehicle accident.
- Violence towards staff shows an escalating trend, however it is believed that this is due to increased reporting rather than increases in violence. The incidents totalled eight and all related to Parking issues. Staff training on how to deal with these situations will be reviewed.
- Lost Time Injury (LTI) reporting is included for May and historical data is given for March and April.
- There were two staff LTI's in March, one foot sprain resulting in one lost day, and one car ran over foot resulting in three lost days.
- There was one staff LTI in April a twisted ankle resulting in five lost days and three weeks alternative duties.
- Contractor Lost Time Injuries are included for May. No historical data is available.
- There was one LTI for contractors, a lumbar sprain resulting in two lost days.

1.4 Cultural / Training / Support

Training

- Following the launch of the **InnovATe** programme last month, a cross-organisational team of innovation champions is reviewing all ideas submitted so far with a view to announcing what can be implemented and a possible "winner" at the end of the month.
- The project to create a pool of Auckland Transport professionals who will act as career advisors/mentors within the workplace is progressing well. To date, more than 40 staff in key roles across the organisation have been interviewed and this has been turned into a personal profile. These profiles are being collated onto a graphical "career roadmap" and it's estimated that this will be launched on the intranet within the next month.
- The next project will focus on growing our leadership capability even further. This will involve coaching training for all people managers and a leadership development programme for middle to senior management. Proposals are currently being sought from executive education/training organisations who could partner with us in facilitating this programme.
- Career Pathways for engineers is a programme that continues. This looks at the progression of engineers and a defined framework.
- The Code of Conduct was distributed to staff during May with a positive response from most staff.

Support

- All of the HR Advisors have participated in the Job Evaluation review which has been a time consuming process over the last four months. This project is drawing to a close with a paper being presented to ELT at the end of June on the outcome of the Review.
- The Union has been advised that the Benefits Review is almost at a point where an announcement can be made on what benefits will be provided to staff at Auckland Transport. Simon Harvey will be attending the Delegates Meeting on 29 July to discuss this topic.

1.5 Other

- The new machinery that is being installed in the city car parks is now up and running in the first car park. Implementation in the other car parks will be rolled out over the next few weeks. Of the staff affected by these changes most opted to take redundancy payments and leave the organisation. The six staff who applied for new roles were offered jobs and have now started and received training to enable them to perform their new roles.

- Discussions have been held with the PSA about progressing the Remuneration Review. It is important to make some progress on this matter as there is a requirement to try and reach agreement on this by the end of September 2011.
- The Fleet Vehicle Policy has now been approved. Information has been sought from Finance, who owns the policy, to supply any information on staff that may be making personal use of vehicles so that this can be dealt with by the HR Advisors.

Customer Services

1.6 Executive Summary

Commencing this month key information from Customer Services will be included in this section of the Board Report. Key metrics will be included as they are validated for reliability. Minor discrepancies occur in areas where system issues are being completed.

There are three key initiatives underway in Customer Services that should further lift the organisational capability, being:

- A Strategy that looks at the whole service value proposition across Auckland Transport
- Scoping the requirements for ATConnect – CRM System, Case Management System and Knowledge Base System
- Contact Centre Review – reporting on future view of contact centre service provision currently provided by service agreement with Auckland Council.

Key information will be reported on at the relevant points in time.

The detailed Customer Services Report is located in the separate May 2011 Statistics Report.

1.7 Key Service Metrics

- Average call wait time through MAXX and HOP – 14 seconds
- Service level – 79% MAXX, 99% HOP
- Abandonment of call – MAXX 2.8%, HOP 1.1%
- Call volumes for May– MAXX 50,633, HOP 6,577
- Web Traffic for May– 698,000 visits (maxx, myhop, aucklandtransport)

2 OPERATIONS (Fergus Gammie)

2.1 Executive Summary

- Currently consulting on a number of short term CBD to Airport corridor improvements for implementation prior to the Rugby World Cup (RWC).
- May 2011 PT patronage 10.3% above May 2010, 12 month PT patronage of 65.371 million trips, 8.4% above comparative 12 months.
- Following extensive consultation redesigned Auckland Isthmus and CBD bus services will commence late August.
- HOP integrated ticketing has now been rolled out over all NZ Bus Auckland services.
- RWC 2011 planning and implementation is on track. An update report is included with this month's Board papers.
- Project Arizona, the project to upgrade equipment in the four CBD car parking facilities, has gone live in two car parks and will be fully rolled out by early July.

2.2 Road Corridor

Road Safety and Traffic Operations

- Desktop crash reduction area studies and site visits are completed with reports now being finalised for the Southern and Central areas
- There are 49 safety improvement projects remaining for completion out of those identified this year. These are on track for completion by 30 June.
- From 1 May 2011 three fatal crash sites have been investigated in conjunction with the New Zealand Police with all identified road improvements completed
- Processed 67 resource consents in May
- Responded to 500 Requests for Services in May
- Short term CBD to Airport corridor improvements (approximately 15 projects) have been identified for design and implementation ahead of RWC. These projects were presented to the Eden/Albert, Puketapapa and Waitemata Local Boards. Public consultation on these initiatives is under way.

Road Corridor Maintenance

- Work towards implementing the rolling out of new RCM contracts is well underway. Very good collaboration and synergies being developed with AC and Watercare. Ongoing engagement with the industry including a briefing to update existing suppliers on 7 July.
- Emergency event communications system now includes AC Stormwater and also feeds Transport information to Watercare
- Upgrading works are underway on Ocean View Road, Waiheke Island near the Ferry Terminal, ahead of the RWC
- Providing input to NZTAs High Risk Rural Roads Guide, which will be implemented across NZ for Highways and Local Roads.
- Staff training and subsequent qualifications in Tender Evaluation will reduce reliance on external providers.

Road Corridor Access

- Processed over 9,000 corridor access requests, 1,200 vehicle crossing permits, 600 overweight permits and carried out over 2,000 street damage inspections in the first 6 months
- A new harmonised schedule of fees and charges relating to the activities of the department has been developed and will be introduced over the next few weeks
- A framework is being developed for ensuring that greater consideration is given to traffic management throughout the development and delivery of transport and utility projects so as to minimise the level of disruption to road users
- It has been announced by Crown Fibre Holdings (CFH) that Chorus (a business unit of Telecom) will be the Local Fibre Company (LFC) for the rollout of ultra-fast broadband in Auckland. A note outlining this project and the implications for AT is provided at the end of the Operations Section of this report.

2.3 Public Transport

- May 2011 patronage was 6,333,297 passenger trips across PT, an increase of +10.3% compared to May 2010. For the 12-months to end-May 2011 patronage was 65,371,759 passenger trips across PT, an increase of +8.4% compared to the 12-months to end-May 2010.
- With the recent increases in patronage on Onewa Road, additional non-timetabled (banker) services have now been included in the timetable. The inclusion of these services in the timetable provides greater surety and confidence for passengers.
- Additional capacity (longer trains, using 4 additional SA carriages) are to be added to the rail network on 17 July 2011, following the completion of the platform extension works on the Southern Line
- Special event PT services were provided to the Super 15 Blues vs. Stormers at Eden Park (including free event ticketing on rail network and special event bus services) on the 20th of May. An average across ingress and egress of 27.2% of the crowd were moved by special event PT services. For the Blues vs. Chiefs at Eden Park on 4 June special event PT services carried 33.2% of the crowd averaged across ingress and egress.
- Following consultation in April, negotiations have been completed with NZ Bus for implementation of the redesigned Auckland Isthmus and CBD bus services in August. Service changes include:
 - New City LINK service between Wynyard Quarter, Britomart, Queen Street
 - More direct Inner LINK loop service
 - New Outer LINK loop service
 - Move Western Bays services from Queen Street to Albert Street to improve reliability.
- HOP integrated ticketing has been launched across NZ Bus services North Star, Waka Pacific, Go West, MetroLink and LINK
- Audio announcements on rail services commenced a four week trial on 30 May
- Extended 634 and 635 bus services introduced from 26 June to serve the Stonefields residential development.
- Additional capacity has been introduced on the Pine Harbour ferry service with a new vessel
- A note outlining rail fare compliance and revenue collection initiatives for directors' information is included at the end of this section
- As part of the transition to Electrification the options available for managing and meeting demand over the next few years before EMUs are available are currently being examined. A report will be made to the July Board meeting.

2.4 Rugby World Cup

- The Eden Park Residents Only Parking Scheme has been endorsed by the Eden Park Community Liaison Group and is presently being developed for implementation. New permits are being produced and letters are to go to residents in mid-June. The scheme will be implemented for the Bledisloe Cup match on 6 August.
- The work on improving traffic operations at the Auckland Airport's domestic forecourt have commenced with the work expected to be completed by 1 July
- The Strand station upgrade has commenced with the demolition of the old canopies. Work is expected to be completed in July.
- The set up of the Major Events Operations Centre, on Level 4S, Bledisloe House has commenced, with the enlargement of the existing SCATS Room. The remainder of the work will take place over the next two weeks.
- The Teacher Only Day requested for 9 September did not get support from the government. Schools can implement a Teacher Only Day but need to follow existing guidelines. Given this requirement it is unlikely that schools will pursue this option.

2.5 Parking and Enforcement

- Eden Park Residents parking permit renewals is under way and will be complete in five to six weeks in time for RWC

Project Arizona

Installation of new control and payment systems for AT car park buildings:

- Roll out of the Karangahape Road site has been completed, and the Civic car park went live on Monday 20 June. Customers are quickly getting used to the new equipment. Victoria Street and Downtown car parks come on stream in the next few weeks.
- CBD off peak parking promotion is now under way, in conjunction with Heart of the City
- An on street car parking pay and display 'expression of interest' for suppliers is being prepared to enable replacement of equipment as it comes to end of life
- Reviewing of towing contracts is underway

2.6 Community Transport

- Fletcher group have joined the Workplace Travel programme
- Commencement of New Lynn area travel plan
- Takapuna Grammar and Bayview Schools launching their School Travel Plans
- Road safety campaign for Dome Valley and Schedewys Hills delivered in partnership with NZTA
- Completion of annual cycle monitoring counts

2.7 AIFS (Integrated Ticketing and Fares)

- HOP was rolled out on all NZ Bus services on during May and early June
- In excess of 74,000 HOP cards issued so far
- Pre-installation of rail station devices continues. Forty stations have now had foundation works completed. The remaining five stations will be completed in June.
- Thales remains on track for the delivery of Phase 2 of the programme (RWC solution). Factory testing has now been completed and NZ based site acceptance testing has commenced.

Ultra-Fast Broadband Initiative

The Government's Ultra-Fast Broadband Initiative involves the rollout of Ultra-Fast Broadband (UFB) to 75% of New Zealanders over the next decade, concentrating initially on priority broadband users such as businesses, schools and health services, plus green field developments and certain tranches of residential areas.

UFB has minimum transmission speeds of 100 Megabits per second (Mbps) downstream (from the internet to the user) and 50 Mbps upstream (from the user to the internet). This compares with existing broadband which provides transmission capacity in excess of 2 Mbps.

Fibre is the most commonly preferred means of delivering UFB services worldwide and transmits data using pulses of light allowing transmission over longer distances and at higher band widths (data speeds) than other methods.

The Government has allocated \$1.5 billion for investment in UFB infrastructure and established Crown Fibre Holdings Limited (CFH) to manage its investment. It is intended that this investment be made in partnership with the private sector and that it be directed to open access infrastructure.

CFH have broken New Zealand into 33 UFB candidate areas and undergone a lengthy selection process to select Local Fibre Companies (LFC) to deploy fibre in each of these areas.

In December 2010 the first LFCs were announced for Whangarei (Northpower) and the Central North Island (WEL Networks subsidiary – UltraFast Fibre Ltd). The latter area covers Hamilton (including Cambridge and Te Awamutu), Tauranga, Tokoroa, New Plymouth, Hawera and Wanganui.

On 24 May it was announced that Enable Networks (a business unit of Christchurch City Holdings Ltd) would be the LFC for Christchurch, Rolleston and Rangiora and that Chorus (a business unit of Telecom New Zealand) would be the LFC for the remaining 24 urban areas including Auckland and Wellington.

This means that Chorus has been awarded 69.4% of the UFB with the remaining 30.6% going to Enable Networks, WEL Networks and Northpower.

The potential methods of deployment of fibre include open trenching, shallow or mini trenching, micro trenching, directional drilling, new insertion technologies which make use of existing pipes and aerial deployment.

Once fully underway the amount of work occurring on the network will be unprecedented with Chorus needing to deploy fibre to approximately 100,000 residential and business premises per annum in Auckland. This amount of work will put great demand on both our resources and those of our suppliers. It will also pose a considerable challenge in respect to the co-ordination of the work with our own activities and those of other utility operators as there is unlikely to be much forward visibility of the work programmes and the preferred method of deployment may not be known to a relatively late stage.

Rail Fare Compliance and Revenue Collection Initiatives

Rail fare evasion when measured in November 2010 recorded the number of passengers without tickets, or not having their ticket clipped, was 2.8%. This compares to 9.7% measured by the same method in 2008 survey at Britomart.

Improvements in rail fare compliance have been achieved via:

- January to June 2009: on-board signage and revenue leakage surveys
- October 2009 ongoing: platform ticketing at inner stations during AM peak and school services in PM peak
- June 2009 to March 2010: Extension of ticket agent network and marketing campaign of off-board ticket purchase and period passes
- May 2010 ongoing: Britomart Station temporary ticket barriers
- A review of revenue collection has been undertaken by AT and Veolia management which has generated further proposals to be implemented over the next year:
- MoT, NZTA and AT working party targeting legislation requirements to support fare enforcement mid-2012
- Prior to the roll-out of HOP on rail, a widespread targeted marketing campaign will be delivered
- Fare collection has improved by pro-actively prioritising the order of collection by, for example, collecting Orakei / Newmarket fares first on departure from Britomart then returning to collect other fares. Further targeting of known 'at risk' groups, e.g. school trains
- Full ticket checks to be introduced at Britomart from 0630 to 0900 hours on two days a week, targeting a couple of platforms at a time, from July 2011
- Following the completion of the current 4-week trial of the new audio announcements, inclusion of specific revenue collection messages will be incorporated with the final roll-out
- Liaison to be undertaken with schools to encourage inclusion in newsletters relating to the pre-purchase of 10-trip or monthly passes
- Installation of gates at Britomart and Newmarket will be progressed as part of integrated ticketing, but enhancing ticket purchase options on the public side of the gates.

3 FINANCE (David Foster)

3.1 Executive Summary

Finance teams are working through a range of significant projects. The commencement of our long term planning process, the first Annual Report, the Annual Plan and finalisation of the opening assets and liabilities along with system and process improvements continue to be a focus.

As time passes we are becoming more familiar with the major future issues of the organisation and more emphasis is going into higher value add initiatives rather than responding to transition matters. There is still a lot of work to be done around transition issues but this is now moving into wider proactive context rather than being reactive.

3.2 Accounting and Finance

Update:

- The focus is currently on preparing and planning for the first Financial Year End and Annual Report for Auckland Transport. A report was presented to the Finance and Risk Committee about the Annual Report in May and preparation for the Annual Report is proceeding in line with this report. The next update on Annual Report matters will be presented to the July Board meeting. The report will also include the design layout and the initial draft content of the Annual Report. This will provide an opportunity for the Board to provide further input into the look and feel of the document as it is developed.
- The revised Procurement to Payment business processes have been rolled out. The implementation went smoothly and there has been good feedback from the business. There are some minor issues still being worked through.

Next Steps/Key Issues:

- External audit
- Review of SAP access rights
- Resolution with the Ministry of Justice of the processing of infringements lodged with the Courts, as currently the Ministry continues to process these through the Legacy Councils.

3.3 Business Support

Update:

During May, Business Support has focused on developing methodologies for allocating the \$11.2m of required efficiency savings amongst departments. We have also been working with HR on the HR-related savings initiatives – i.e. vacancy management and annual leave management. Analysis has been done on the underspend in opex for the year-to-date, and the likelihood of this being caught up during June. Investigations are also underway to identify the NZTA subsidy which can be allocated to other areas.

Implementation of the new SAP Procure-to-Pay process has gone fairly smoothly, with the main issue so far being the correct assignment of project managers to approval processes. These alterations focused on changes to the payment process. Further enhancements have been identified that will allow streamlining of the procurement process and need to be scoped by SAP. Work has continued on the Procurement strategy for AT, a Procurement policy and manual are also being drafted.

Two vacant Financial Business Analyst positions and the vacant Procurement Strategy Specialist role are being readvertised. Resourcing in the Procurement Support team is particularly tight and will continue to be so until the end of June.

Key Initiatives for the Next Three Months

- Starting work on preparing AT input for the Auckland Council LTP
 - 10 year budgets
 - activity structure
 - helping develop supporting text
 - liaison with Auckland Council managing AT input and timelines
- Working with Strategy & Planning and other business units in developing AT RLTP
- Preparing for year-end
 - accruals and special year end requirements
 - final NZTA claim
 - Identifying NZTA carry forwards and supplementary claim
- Finalising procurement strategy and manual
- Finalising processes around capturing cost efficiencies across the business
- Starting review of professional services procurement across the organisation
- Supporting HR with the vacancy review
- Cleansing SAP's NZTA supporting data and project structures

3.4 IT and Business Systems

Update:

Information Services have progressed implementation of strategies with the commencement of projects in conjunction with Customer Services, namely Requests for Service Management and Customer Case Management.

This month a new managed network was implemented ready for AIFS on the Rail Fibre Optic Cable involving the replacement of equipment at all stations, reconfiguration of the fibre, connections with 17 redundant links back into the core Auckland Transport Network. The other network components to support AIFS test sites were also successfully implemented.

A proof of concept for a mobile phone Journey Planner application was delivered, with the intention of having this ready for the RWC. Another proof of concept for delivery of Ferry Real Time was also delivered.

New networks were also installed for the joint JTOC at Smales Farm

Transition of support to an outsourced provider (Fujitsu) for the production servers was commenced involving some 145 servers and 53 databases that are currently used by Auckland Transport.

Work has been commenced on providing external access to systems for staff and laptops to the environment and this is expected to be completed, with a trail within five weeks.

Additional server capacity has been acquired and is in the process of being installed to support a number of projects due to come on stream over the next six to eight weeks.

An independent review of the infrastructure has been completed and remedial action items and recommendations arising from that are currently being implemented. An independent review of support processes has been commenced.

A training plan has been completed for core systems, and detailed delivery planning and consultation with business managers is in progress.

Next Steps:

- Implement end user access to core systems
- Implement centralised security controls on phones and mobile devices
- Install additional server capacity to support future projects
- Re-negotiate all support contracts, inherited from ATA which expire on 30 June 2011
- Implement management views of AIFS network component as required by contract
- Rollout real time system for Rail
- Finalise details for RWC mobile phone applications

3.5 Property

Update:

The property department continue to make progress on a wide range of issues including:

Real Estate Inventory

- Compiling a real estate inventory (land buildings, and interests in land owned by AT for transport purposes) including assets to be transferred to AT by AC (carpark assets and future roading project land bank) and revenue earned from those interests. Forward works programme 2011/12 developed (includes improving legacy documentation to secure AT's tenure).
- Discovery phase for new carpark assets under design and construction through ELGO legacy contracts to assess interest to transfer to AT and operational impacts
- Tracking in legacy systems and re-invoicing revenue for leases and licences for AT assets

Land Acquisitions

- Developing processes, protocols and supporting documentation for compulsory land acquisition, partial purchases, powers of entry (survey and investigation) Public Works Act for agreement with AC
- Progressing AT land acquisition programme including development of AMETI property strategy
- Progressing AC led transport related land acquisitions in collaboration with AC (City Transformation) and ACPL e.g. NorSGA Project, New Lynn
- Advising on structure plan transport related acquisitions
- Repatriated AT funds to repay land purchase costs incurred by AC during post 1 November transition for AT projects

Accommodation

- Heads of Agreement submitted to AC for AT corporate accommodation occupancy
- Developing AT accommodation strategy

Strategy Policy Process

- Finalising Facility and Asset Management Strategy for passenger transport assets
- Road encroachment policy/ process development
- Participating in "whole of Council" Property Lead Team (AC/ACPL)

Other Work

- Providing advice on property aspects of transport related projects (rail station [new and upgrades], revenue opportunities, Federal Street airspace heads of agreement)
- Providing technical advisory services in response to requests from internal and external customers and AC (landowner approvals, encroachments, airspace licensing, paper roads, road stoppings) new and legacy matters from ELGO's. Property information requests, local board and AT business units enquiries.
- Parking maintenance projects

We have completed an interim report on AT's property inventory together with a forward works programme (2011/12) to enable the further identification of AT assets transferred under the order in council. A list of carpark assets and future roading projects land bank to transfer to AT has been submitted to AC for confirmation following broad conceptual agreement. This work is on track to integrate with the establishment of the Opening Balance Sheet and the Annual Report.

Next Steps:

- Inventory: Commencement of forwards work programme
- Completion of the Service Level Agreement with ACPL regarding land bank portfolio and retail tenancies under management for Auckland Transport
- Completion of corporate accommodation Heads of Agreement
- Finalising protocols with AC for use of Public Works Act powers (compulsory and partial acquisition and power of entry) on behalf of AT

4 INFRASTRUCTURE (Kevin Doherty)

4.1 Executive Summary

While we continue to work closely with NZTA to understand 2011/12 subsidy availability there is now greater clarity regarding the fiscal envelope for 2011/12, the extent of the capital project portfolio that can be delivered and the risks surrounding the delivery of identified projects. The fiscal envelope has been identified as \$546m which incorporates the renewals programme of \$220m. However, this remains subject to the NZTA completing its end of year review to finalise subsidy availability, with early signals being provided that this could decrease. The proposed prioritised capital programme is now being reviewed in terms of the deliverability risk and an assessment is being made on an appropriate level of over programming to optimise programme delivery.

Auckland Transport has had two successful entries in the recent Arthur Mead Environment and Sustainability Awards in the small project category reflecting our commitment to the environment and sustainability. The entries were:

- 1) Clean Environment through Innovative Road Contaminant Management (winner)
- 2) Albany Lakes Precinct- Integrated Asset Management Strategy (merit)

A Forward Design Plan for 2011/12 has now been developed to ensure that investigations and designs are progressed in advance for projects to be undertaken in following years. This practice provides resilience and flexibility for the future and will avoid the scenario where we are unable to progress the construction of high priority projects when others are delayed.

For the AMETI project, the Notice of Requirement (NoR) for the first stage of works in Panmure is being processed and detailed design for this stage is under way. Early approval is being sought for the Mountain Road rail overbridge and associated works to ensure these works can be undertaken at Christmas allowing KiwiRail to maintain their electrification programme. The major works are expected to commence in early 2012.

The organisation-wide roll-out of the Project Management Framework and tool box of templates, process diagrams, training schedules, and reporting systems has progressed well. The achievement of a comprehensive end-to-end project highlight reporting system and consolidation into management reports will provide the division with a robust reporting baseline to monitor and manage our performance into the future.

To further enhance Health and Safety incident / issues reporting, a series of standardised project, contract, contractor and consultant health and safety performance report templates have been finalised.

4.2 Update / Next Steps / Key Issues

2011/12 Funding, Prioritisation and Programming

While we continue to work closely with NZTA to understand 2011/12 subsidy availability there is now greater clarity regarding the fiscal envelope for 2011/12, the extent of the capital project portfolio that can be delivered and the risks surrounding the delivery of identified projects.

Asset Management

The asset management team have had considerable success at the recent Arthur Mead Environment and Sustainability Awards. Two papers were submitted in the small project category:

- 1) Clean Environment through Innovative Road Contaminant Management
- 2) Albany Lakes Precinct- Integrated Asset Management Strategy

The first paper was category winner with the second paper being awarded a merit.

Work has progressed on the Auckland Transport Asset Management Plan which is planned for draft release in mid-2011. Consultation on this document will be undertaken with internal and external stakeholders and a steering group has been established to oversee the publication of the final document by June 2012.

Other significant activities undertaken by the asset team during this reporting period include:

- Development of a procurement strategy for the proposed asset management contracts for Roothing, Structures, Stormwater, Public Transport and Wharves commencing 1st July 2012
- Completed the audit of the Transport Regional RAMM Database. A report has been circulated to stakeholders for feedback prior to commencing the proposed prioritised improvement plan.
- Continue to audit, inspect and sign-off the assets being vested to Auckland Transport through the resource consents process (Auckland Councils' Development Engineering teams)
- Developed and added 'Transport Asset Data Standards' within the 'Auckland Transport Code of Practice' that is being currently developed
- Facilitating a presentation for internal and external stakeholders on the Government's ultrafast broadband and rural broadband initiatives
- Development of the 5 Star Approved Organisation Framework has progressed with continued positive collaboration with the Highways division of NZTA. This project is proving to be extremely challenging due to the ambiguity in the definition of what a 5 Star Approved Organisation is required to be. Notwithstanding we are still targeting the structure identification by mid-2011.

Investigation & Design

I&D has developed a Forward Design Plan for 2011/12 to ensure that investigations and designs are progressed in advance for projects to be undertaken in following years. This practice provides resilience and flexibility for the future.

The following activities were completed during the reporting period or scheduled for activity during the next reporting period:

Central

- Federal Street – working with AC in the development of a precinct plan
- WDA Halsey and Daldy Streets – working with WDA to identify project requirements
- Tiverton/Wolverton – Construction contract procurement plan complete

North

- Hibiscus Coast Busway Station – now likely to move to partially notified consent process, further delaying this project
- Albany Highway Upgrade Schnapper Rock Road to SH17 detail design – tender evaluation completed
- Glenvar Road Upgrade/East Coast Road Widening Scheme Assessment Report - RFT prepared
- Anzac Street ROI underway
- Local bus improvements design contract awarded

West

- Northside Drive Bridge – design of central pier completed and building consent issued to permit construction commencement in accordance with NZTA Brigham Creek Extension program
- Don Buck Cycleway – consultation completed with no issue. Design proceeding.

South-East

- Hunua No. 4 watermain – Negotiations with Watercare resulted in a mutually beneficial outcome at no additional cost to either organisation
- Flat Bush Town Centre – AT workshop held for development of Town Centre
- Matiatia parking area – NoR underway
- Waddon to Windrush Close - legacy design reviewed and improvements being progressed to detailed design

Infrastructure Development

During the reporting period the major focus has been on completing the 2010/11 Capital Works Programme. The continued good weather has been conducive to good progress being made, particularly on footpath works.

North-West

Works Commenced

- Sturges Road Kerbing Stage 4 – new kerbing and widening of a 200m section of Sturges Road, Henderson.

Works out to Tender

- Piha Footpaths – new sections of paths for sections of road in the Piha area
- Whenuapai Footpaths – new sections of footpaths in Totara Road and Brigham Creek Road, Whenuapai

South-East

Works Commenced

- Liaison with Pukekohe Town Centre redevelopment working party

Works to Tender next period

- Waiuku Town Centre redevelopment – Stage 3 River Lane Physical Works
- Pukekohe Town Centre redevelopment Physical Works

Central/CBD

Works Commenced

- Neilson Street T2 Truck Lane and Corridor Improvements
- 2011 Cycle Racks installation programme
- Speed tables Otahuhu Town Centre
- Ian McKinnon Drive Walking and Cycling Improvements

Works out to Tender

- Lunn Avenue intersection improvements

Works to Tender next period

- Tiverton/Wolverton Route Improvements - Statement of Interest and Ability

Public Transport & Facilities

Works Commenced

- Rodney district Bus Shelter Construction

Works out to Tender

- Downtown Wharf Pier 1C

Works to Tender next period

- North Shore City Wharf Renewals

Major Projects & Project Management Office

Major Projects Update

The following provides a brief summary of major project activity completed during the reporting period or scheduled for reporting during the next period.

AMETI

The NoR for the first stage of works in Panmure is being processed and detailed design for this stage is under way. Early approval is being sought for the Mountain Road rail overbridge and associated works to ensure these works can be undertaken at Christmas allowing KiwiRail to maintain their electrification programme. The major works are expected to commence in early 2012. Applications for NZTA funding approval are currently being drafted.

Work on the subsequent stages of development is continuing, with a scoping report in review for the RTN busway component.

There have been a number of community awareness and stakeholder meetings for AMETI in the last few months and more are scheduled for June.

Dominion Road

A strategic review has been undertaken to confirm the requirements for the Dominion Road corridor with respect to its transport role in connecting the South-West Central Isthmus to the CBD and in supporting the commercial village environment. This has considered the growth profiles for the corridor over time and the likely impacts through increases in car use and Public Transport uptake. This work will assist in the development of an appropriate solution for Dominion Road.

Long Bay

The procurement process for the design of the first package of works has commenced with the shortlisting of consultants. The AT Project Team is working to align the design and construction of Glenvar Road with the phases of the development and the need to upgrade other utilities along the road (Watercare).

NorSGA

The project is divided into three plan change areas, PC13, PC14 and PC15:

PC13: Hobsonville Point - The AT Project Team is working with Auckland Council to develop the Park and Ride car park that is required to support the new ferry service scheduled to commence early 2012.

PC14: Hobsonville Corridor - The NoR hearing process is scheduled for September this year.

PC15: Massey North - The AT team is finalising the procurement plan for the construction of the arterial roads in the northern sector of this plan change area.

New Lynn

The project is progressing well and remains on target to complete some months ahead of schedule.

The main structure of the bridge that extends Clark Street over the railway line has been completed as well as earthworks and retaining walls on the northern embankment to the bridge. Work is progressing on the southern embankment.

The widening and re-surfacing work along Great North Road is also progressing well and the final line markings along this section should be in place during June.

The additional drop-off bays at the station have also been completed.

Manukau Rail Station

Main station works continue to progress well. Completion of the main structural works is planned for August 2011.

Manukau Car Park Building

The contract for the car park building has been awarded and construction will commence in June with a 44 week construction period.

Rail Station Upgrades

The Strand emergency station - Demolition works are nearing completion. Two sections of the old canopy are remaining and are in the process of being repaired. The Heritage area under the retained canopies is being developed in conjunction with the Historic Places Trust. Ongoing liaison meetings have been positive to ensure alternative access across third party access way is agreed prior to RWC.

Kingsland Canopy Project - Construction of under platform concrete base supports is in progress. Phase 1 canopies are in manufacture. Phase 2 of the canopies are planned to commence after RWC. AT is continuing to liaise closely with stakeholders to ensure a co-ordinated approach to the different work scopes whilst minimising operational disruption. The Project Team will continue to ensure minimal impact of work on station operations, especially during Eden Park event days.

Project Management Office

The organisation-wide roll-out of the Project Management Framework and tool box of templates, process diagrams, training schedules, and reporting systems has progressed well. The achievement of a comprehensive end-to-end project highlight reporting system and consolidation into management reports will provide the division with robust reporting baseline to monitor and manage performance into the future.

To further enhance Health and Safety incident / issues reporting, a series of standardised project, contract, contractor and consultant health and safety performance report templates has been finalised. These have been issued to all project managers, contractors and consultants for completion in time for reporting.

Activities for the PMO over the next reporting period include:

- Progressing the development of more sophisticated and standardised risk assessment / contingency allocation systems;
- Developing and documenting comprehensive processes around project completion reviews, asset hand-over and acceptance, transfer of ownership, maintenance, insurance and operational responsibilities and updating as-built records and delivery of operating and maintenance manuals, and the like.;
- In relation to the above, documenting clear guidelines as to the ownership / management responsibilities in respect of the various assets created through various projects;
- Inviting applications from suppliers for inclusion on a health, safety and environmental pre-qualification register – thus allowing streamlined tender submission / evaluation processes;
- In conjunction with the above – commence the development of a consolidated and centralised contractor performance review / record process / system.
- Production of a Monthly Health and Safety Incident / Performance Report for June-end (and each month thereafter)

5 COMMUNICATIONS AND PUBLIC AFFAIRS (Wally Thomas)

5.1 Executive Summary

The Communications and Public Affairs division provides strategic and operational support across all facets of Auckland Transport.

The major focus of work during this reporting period has been on preparations for the Rugby World Cup (RWC), including Super 15 matches and the upcoming Bledisloe Cup test, and the continued roll out of HOP.

5.2 Key Initiatives

Rugby World Cup (RWC)

With less than three months to the kick-off of the RWC 2011, staff are working closely to co-ordinate transport messaging with the combined Auckland Council and ATEED campaign, which will be launched in July.

A particular focus will be on the opening night. We are working with ATEED and in particular the business community in an attempt to minimise public transport demand (and therefore possible disruption) during the evening peak.

Transport messaging will have four main components:

- 1) Getting to Games (fans, both visitors and local)
- 2) Avoiding traffic problems and moving around Auckland, particularly on opening night and game days (local audience)
- 3) Getting around Auckland (visitors)
- 4) A-Pass Travel Card (visitors)

The objective of (1) is to provide assistance to visitors, many of whom will be unfamiliar with even the most basic of information (e.g. the location of key transport infrastructure such as Britomart).

Information on 'Getting to Games' will also be promoted close to and on game days. There are many messages to communicate, including:

- Special bus and train services are free to game-goers with their game ticket
- Leave early to avoid the rush
- Information on which train stations to use
- Road closure information
- Use the stadium "Fan-Trail"

This information will be communicated via press advertising, radio, rail and bus posters, website, and via RWC volunteers and Auckland Transport Information Ambassadors at key locations such as rail stations and bus hubs.

The format of 'game day' communications will follow a similar approach to advertising that we have run prior to Blues Super Rugby games at Eden Park.

The objective of (2) above is to encourage Aucklanders to plan for the Rugby World Cup and make alternative transport arrangements. These messages will be distributed primarily via media and

Auckland Council publications/website and have already begun in advertising and media statements in relation to Super 15 matches.

A special visitor pass, called the "A-Pass" will be produced for the tournament. The pass will be co-branded with the combined Auckland Council / ATEED campaign.

The A-Pass will cost \$15 per day and be able to be used on bus and rail services, and some ferries (excludes Airbus Express and ferries to the Gulf Islands).

An added benefit of discount has been negotiated with:

- Stardome – Adult at Childs price, so \$8 tickets down from \$10 (a 20% discount)
- Maritime Museum – 15% discount on admission
- Auckland Art Gallery – 10% discount upon purchase of two or more items from the Gallery shop
- The Edge – 10% discount off all food and beverages at Box café/bar, Aotea Centre
- Zoo – 10% off at gift shop
- Auckland Museum – As entry is only \$5, a 15% discount applies to some of the special offers/shows, e.g. cultural performances

Negotiations are underway with MOTAT to also become part of the package of offers.

General transport plans for the tournament were outlined to Ministers Joyce and McCully during a day-long visit this month. The visit included Kingsland Station (currently being upgraded), Wairepo Swamp Walk, the bus-hub at Eden Park, the Major Events Operations Centre (in the Bledisloe Building) and North Harbour Stadium.

Auckland Transport RWC staff and key partners such as Veolia, Eden Park, ATEED and bus operators were involved in providing updates to the Ministerial group.

Communications and media protocols around RWC activities are being finalised with these key partners.

In addition, Britomart will host a collection of iconic rugby photographs during the tournament. The Black Boot Legends Exhibition will also run in Wellington. A number of former All Blacks and other dignitaries attended a small launch / announcement function at Britomart.

Telstra Clear Challenge

Auckland Transport is partnering with NZTA and a number of other corporate sponsors to deliver the TelstraClear Challenge – a competitive cycle race across the Auckland Harbour Bridge in December.

Smaller rides (8km and 2km) will also take place on the Northern Busway, aimed at families and children. This is the aspect of the day which Auckland Transport is supporting, in association with Cycle Action Auckland. The focus will be on fun and the promotion of road safety messages.

Winter Sports Campaign

Some 100 sports clubs (rugby, league and soccer) are involved in an alcohol awareness campaign – "Make it a Good One, Make It Home".

This is the same slogan used in an earlier campaign, targeted at under 25s.

Clubs involved range from those in small rural areas to those such as Pakuranga AFC which can have up to 700 people in the clubrooms after matches.

The clubs have agreed to display and utilise various pieces of collateral, such as posters, branded hot chip containers, bar mats, and beer coasters.

In addition to this a group of cheerleaders will present surprise performances choreographed to a specially written chant. Supporting radio advertising will be ‘voiced’ by a well-known Auckland sportsperson (TBC).

HOP

This month saw the roll out of HOP on Go West (West Auckland) and Waka Pacific (South Auckland) bus services.

As reported elsewhere the high-profile marketing activities associated with the introduction have seen an extremely pleasing ‘take up’ of cards. An initial target of 60,000 card issues was exceeded by around 12,000.

Phase 3 of the marketing campaign is now set to begin.

Board members will recall that Phase 1 of the HOP campaign (“Pre-Launch” – HOP is Coming) focussed on raising brand awareness and education. Phase 2 (“Launch” – Ready, Set, HOP) targeted existing Go Rider customers and encouraged card swap-outs. HOP “helpers” were used extensively to assist customers.

The next stage (Phase 3) essentially aims to take the brand to a wider audience and acquire new users. It also focuses more on how you can use your HOP card to get around Auckland, i.e. across bus services, with the tagline: “Where do you HOP?”

Messaging and imagery reinforces the integrated nature of services. A mix of high-profile billboards, bus backs, press advertising and online advertising will be used to get the message across.

Keeping Track

We have produced the first of what will be a bi-monthly newsletter, targeting rail passengers. “Keeping Track” is a small pocket-sized pamphlet that discusses improvements to the rail network. It is designed to be something commuters can flick through and read on-board and is in addition to the usual communications tools such as posters and announcements.

The first eight-page edition of ‘Keeping Track’ contains a variety of useful “snippets” including dates of weekend line closures, what happens to rail services when there are games at Eden Park, the rail electrification project and an update on HOP.

Initial feedback from passengers and on-line commentary has been extremely positive.

Parking

Staff have been working closely with those in the parking operations area to introduce a several new initiatives, namely:

- ‘Project Arizona’- explanatory signage and advertising about new payment options in car park buildings
- A joint promotion with Heart of the City which sees cheaper late night and weekend parking rates introduced to the Victoria Street and Downtown car parks (in a bid to attract more shoppers and visitors to the area).The promotion will run through until the end of the Christmas retail “rush”.

Meanwhile, rebranding of Auckland Transport car park buildings has begun, the latest being Takapuna.

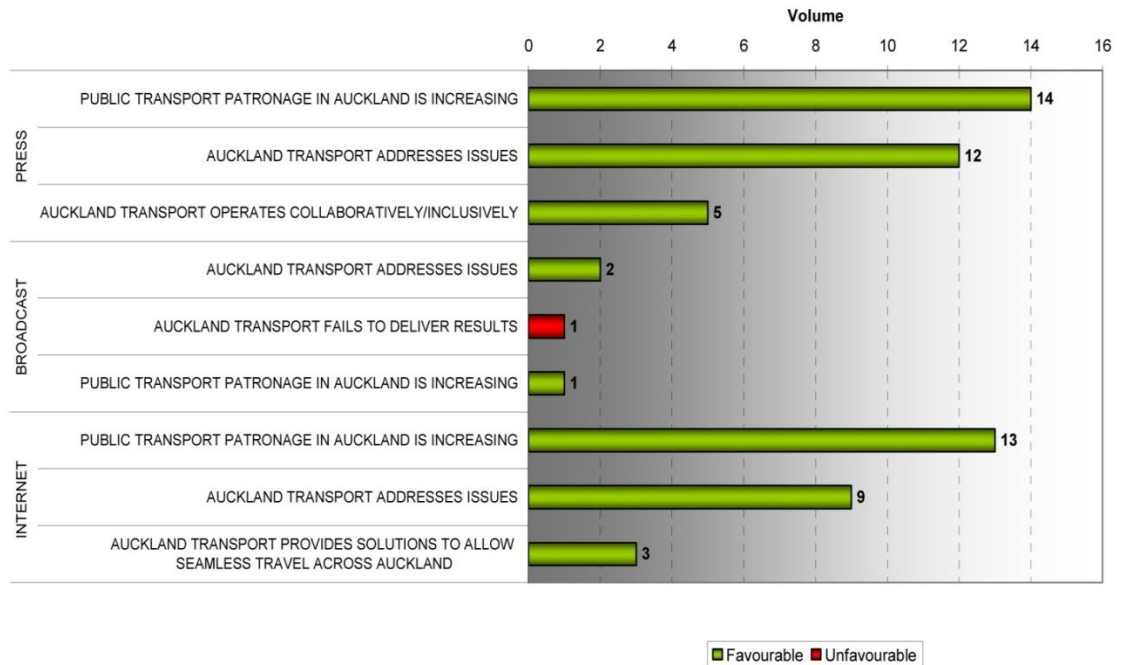
Media Analysis

The past month saw media coverage of Auckland Transport comprising 200 reports. Of those, 87% (or 174 reports) were deemed to be positive or neutral in tone.

The largest proportion of reporting appeared on-line (50.5%) followed by press media (47%) and broadcast outlets (2.5%). The New Zealand Herald continues to be the leading publication to report on Auckland Transport activities (14 reports).

As in the previous period, bus services remained a key theme in coverage; mentioned in more than a third of all reports. Increased patronage and the continued introduction of HOP formed the bulk of these reports.

This month staff also assisted the Mayoral office in arranging a press conference, at short notice, following Minister Joyce’s release of the review of the City Rail Link business case. The Chief Executive played a significant role in outlining the benefits of the project at the conference.



Internal Communications

A new staff publication, “InterChange” has been introduced. The aim is to build on organisational vision and values messages through a slightly less “formal” communication medium.

This fortnightly publication is distributed on-line and in hard-copy and is an important tool for communicating to staff who may not have direct or regular IT access.

Meanwhile, work continues on revamping the staff intranet to make it more user-friendly and accessible. A launch of the new-look intranet is planned for early August

6 KEY RELATIONSHIPS UNIT (Stephen Rainbow)

6.1 Executive Summary

Managing Auckland Transport's relationship with Local Boards continues to be the main focus of the Key Relationships Unit, especially as the Boards engage more fully on issues around budgets and issues in their local areas. Auckland Council (AC) Councillors are also increasingly using the unit to have their concerns around local and regional issues addressed. MP's from all parties continue to use the unit as their first port-of-call for answering a range of issues and queries (e.g. Dominion Road, HOV lanes etc.).

The Key Relationships Unit has also during the past month investigated several Stakeholder Management Systems which may be beneficial in developing Stakeholder Relationship Strategies for key projects.

The Unit has led the liaison with AC on how decisions regarding budgets which impact on Local Boards will be communicated to the Boards and what further engagement may be needed.

There has been engagement with the Minister of Transport's Office in Wellington and the Unit has provided input into the RLTP consultation and engagement programme.

Presentations to Transport and Performance and Accountability Committees of Auckland Council have been made. The Key Relationships Unit will lead the Advocacy and Communications workstream for the City Rail Link (CRL).

An Infrastructure Maori Training module has been developed to assist project leaders to understand our legislative responsibilities in relation to Maori.

6.2 Key Relationships

- Investigating Stakeholder Management Systems
- Leading advocacy and communications work stream on CRL
- Presentations to Transport and Performance & Accountability Committees of Council
- Input into RLTP consultation and engagement programme
- Visits to Victoria Park Tunnel and TMU for EMLU Team
- Building relationships with Minister's office (Wellington)
- Progressing high-profile issues like Potatau Street footpath campaign
- Working with Operations Team on managing relationship with utility operators

6.3 Elected Members Liaison Unit

- Continuing engagement within AT and preparatory work on Quarterly Reports to Local Boards
- Induction and orientation of new staff
- Liaison within AT and with AC on how decisions on budget which impact Local Boards will be communicated to them, and what further engagement may be needed
- Engagement on difficult issues and finessing how these will be communicated to Local Boards and/or the Governing Body

6.4 Stakeholder Liaison

- Completion of responses to Auckland Council Annual Plan process
- Review of Stakeholder Relationship Strategies
- Responded to issues raised by Auckland Councillors

6.5 Liaison – Iwi/Maori

- Iwi / Maori (Mana whenua – Matawaka) engagement framework development continuing (legal paper scope completed)
- Infrastructure Maori training module developed with Opus
- Liaison with NZTA Maori; ACC Maori Unit (on going)
- AMETI Iwi engagement co-ordination designed and plan being developed
- SWAMMCP engagement (on going)

7 STRATEGY AND PLANNING (Peter Clark)

7.1 Executive Summary

The Strategy and Planning Unit focused on ensuring seamless continuation of key activities including the CBD Rail Link, South West to Airport Study and maintaining the flow of NZTA funding to Auckland Transport through the RLTP process.

The draft SOI has been updated following receipt of shareholder comments from Auckland Council, and will be finalised in June.

It has also been building relationships with the Auckland Council to support the Auckland Spatial Plan and Central City Masterplan process.

7.2 Planning and Policy

City Rail Link

Auckland Transport and Auckland Council staff finalised the AT/AC Update of the Business Case and jointly presented the findings to the June meeting of the Auckland Council's Transport Committee. A second presentation will be made to Auckland Council at its meeting on 28 June.

South West to Airport Transport Study

Phase 1 of the South West to Airport Transport Study is progressing with draft documents nearing completion to enable reporting to the project partners' respective decision making entities in August. The Stakeholder Steering Group will meet again in late June where an overview of the likely way forward will be provided. If the recommendations of Phase 1 are supported, then a funding application will be made to NZTA and Phase 2 will commence following approval of the funding application. The overall timeframe is running slightly behind time due to additional transport modelling and refinement of the various options being considered. The additional work has been very useful but will likely push out the timeframe for the completion of Phases 2 and 3 to the third quarter of 2011/12 (March).

Auckland's Spatial Plan – the Auckland Plan

The Strategy and Planning Unit are continuing to engage with Auckland Council in the development of the Auckland Plan. Workshops were held to look at potential transport networks that may be required to facilitate the land use scenarios that Auckland Council are evaluating. AT assisted Auckland Council with the modelling of these scenarios and engaged with Auckland Council on the drafting of content addressing critical infrastructure and transport land use integration.

Regulatory Planning Matters

The Transport Land Use Integration Plans team lead and co-ordinate Auckland Transport's response to council plan changes, private plan changes and notices of requirement, ensuring that all relevant groups are involved. Over the last month, Auckland Transport has:

- Provided comments as road controlling authority to Auckland Council on transport submissions received for two plan changes – Orewa West and Flat Bush
- Lodged 274 party notices with the Environment Court on appeals lodged on the decision for two plan changes in the former Manukau City Council area
- Presented evidence at two hearings – Wiri Men's Prison and Wiri Quarry
- Provided comments on nine plan changes/notices of requirement that have been lodged with Auckland Council, such as identifying further information that will be required to assess the applications
- Worked with Auckland Council and NZTA on appropriate conditions to address transport issues on two NZTA notices of requirement for State Highway 16

We are also working with Auckland Council on the development of the transport content for the Unitary Plan. This includes regular project team meetings to discuss the necessary work programme needed for this project, including the identification and prioritisation of initial studies that will be needed.

City Centre Masterplan

Auckland Council’s planned Central City Masterplan (CCM) will contain a number of transport-related proposals aimed at developing a city centre of international standing.

Staff continue to work with Auckland Council on determining the extent and details of the various transport proposals, to enable these to be tested through traffic modelling simulations. The testing and analysis involves key stakeholders in the transport network, including NZTA. A key objective is to identify transport initiatives that could be implemented in the short-term as well as initiatives that require further analysis for medium to long-term implementation.

7.3 Regional Land Transport Programme Funding

2009/2012 Auckland Regional Land Transport Programme (RLTP)

During the May 2011 monthly reviews, two funding applications totalling \$2,790,700 were submitted to NZTA for consideration. All were approved.

Table 1 – May 2011 Schemes recommended to NZ Transport Agency

							Outcome (NZ Transport Agency)
Project name	Description	Activity Class	Phase	Cost	Comments (AT)		
May 2011							
AT	Candia Road / Sturges Road Intersection Slip Repair	Slip repair work and temporary relocation of affected utilities and construction.	Maintenance	Construction	\$215,700	Recommended	Approved.
AT	E/W January 2010/12	All first response and permanent re-instatement work resulting from cyclones Zelia, Vania & Wilma from 21 to 29 January 2011.	Maintenance	Construction	\$2,575,000	Recommended	Approved.
	Total New Schemes Approved for Funding				\$2,790,700		

Notable in the May 2011 monthly review were:

- Candia Road / Sturges Road intersection slip repair.
- All first response and permanent re-instatement work resulting from storm damage and cyclones Zelia, Vania & Wilma from 21 to 29 January 2011.

Auckland Regional Land Transport Programme 2012/2015 (RLTP) Update

The Project and Steering Groups considered a number of issues relating to how the RLTP will be produced and consulted on. The two main recommendations were that the RLTP would not be part of the Long Term Plan (LTP) but we would endeavour to consult in a way that was complementary to the LTP process and that the prioritisation method should be based on the goals and objectives of the Auckland Plan / RLTS. The Steering Group also considered how the Engagement and Communication Plan would be managed.

<p>APPROVED FOR SUBMISSION by</p>	<p>David Warburton Chief Executive</p>	
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