

Updated draft Statement of Intent 2016/17 - 2018/19

Recommendations

That the Board:

- i. Receives the report; and
- ii. Approves the updated draft Statement of Intent 2016/17 - 2018/19.

Executive summary

- This report presents the updated draft 2016/17 - 2018/19 Statement of Intent (SOI) for approval by the Board.
- The draft SOI was approved by the Board in February 2016 and forwarded to Auckland Council (AC) for review.
- AC feedback has been received and changes have been made to the draft SOI to respond to that feedback.
- The proposed changes have been developed in collaboration with subject matter experts from across AT and reviewed by the Customer Focus Committee (CFC).
- Proposed changes to the document are as follows:
 - Increased commitment to collaboration with other members of the council family
 - Increased commitment to driving value for money (including shared services, integration of maintenance activities and a new section on the recent value for money review)
 - A statement confirming AT's compliance with the new CCO Governance Manual (including co-branding and signage)
 - Changes to some performance targets.
- Following approval by the Board, the Statement of Imagination and updated financial information will be incorporated. The final SOI must be submitted to AC no later than 30 June 2016.

Background

The draft SOI 2016/17 – 2018/19 was approved by the Board in February and was forwarded to AC for review. AC feedback was received (refer Attachment 1) and the SOI has been updated to address that feedback.

The feedback from AC affected multiple parts of the organisation and the proposed changes to the draft SOI have been developed in collaboration with subject matter experts across AT. Further review was undertaken at CFC and the updated draft SOI is provided as Attachment 2.

CCO Governance Manual

A key issue in AC's feedback is the requirement for AT to confirm its ability to comply with the CCO Governance Manual, especially the expectations on co-branding and signage (acknowledgement of ratepayer contribution). A review of the Manual has identified no reasons why AT should not confirm its ability to comply, and this is reflected in the updated draft SOI.

SOI Updates

The following table summarises all of the changes made to the revised draft SOI:

Change	SOI page reference	Description and action
Addition of a new key initiative 'improvements to train travel times'	13	Council requested that additional information be included in the final SOI. Response - New wording added to the three year workplan table.
Wording amendments to the Maori outcomes section including Mana Whenua engagement	15-16	Council requested that the following be included in the final SOI: <ul style="list-style-type: none"> • Renaming the section to ensure consistency with other CCO SOIs; • Articulation of how AT will incorporate Maori identity and Te Aranga design principles in projects; • Reference to be made to Mataawaka • Reference to council's Te Reo Framework; and • Detail on AT's service performance measure for its engagement with Mana Whenua. Response - Amended wording and added detail.
Quarterly reporting on the Accelerated Transport Programme	18	Council requested that AT report on delivery of the Accelerated Transport Programme on a quarterly (not annual) basis. Response - Amended wording in Letter of Expectation (LOE) table to confirm quarterly reporting.

Change	SOI page reference	Description and action
AT commits to 'proactive and meaningfully engage' on delivery of consistent branding	18	Council requested that AT provide enhanced commitment to co-branding, regionally consistent signage and the Brand Navigation Group (BNG). Response - Amended wording in Letter of Expectation (LOE) table to reflect enhanced commitment.
AT commitment to shared services, integration of services, alternative financing and other organisational efficiency initiatives	19	Council requested that AT provide greater commitment and information on delivering value for money. Response - Amended wording in Letter of Expectation (LOE) table to reflect enhanced commitment.
Compliance with Governance Manual and co-branding expectations	19	Council requested that AT confirm ability comply with Governance Manual (including co-branding and signage expectations) Response - Amended wording in Letter of Expectation (LOE) table.
Details on value for money activities being undertaken at AT	19-20	Council requested that the following be included in the final SOI: <ul style="list-style-type: none"> • Details on what actions AT is taking to increase value for money; and • Recommendation from the recent value for money review. Response – New value for money section added to the SOI.
Public transport boardings - removal of updated SOI target	21	Council has confirmed that it does not intend to update its LTP performance measures this year, and that it is preferable that SOI and LTP measures remain in alignment. The implication is that changes should not be made to existing LTP targets unless they are material and are supported by a clear need and strong rationale (e.g. a change in budget or some underlying environmental factor). Response – proposed SOI reinstates LTP targets.
Rail boardings - addition of new measure	21	Council requested that AT include a new measure focussed on rail boardings. Response – new target added to performance measures table.
Local board engagement - increased target	22	Council requested that AT increase the target for this new performance measure. Response – 2017/18 and 2018/19 targets increased by 1% and 2% respectively.
Travel times on key freight routes - refreshed presentation	23	Council requested that this measure have improved visibility / additional explanatory text in the final SOI. Response – presentation of measure and targets amended to improve readability.
Regionwide cycling counts (pt1) – creation of a 2018/19 target	23	Council requested that AT to continue monitoring regionwide cycling figures. Response – created a 2018/19 target and deleted reference to this measure being removed from the 2018 LTP.

Change	SOI page reference	Description and action
Regionwide cycling counts (pt2) – reinstatement of 1.8m target	23	Council has signalled that a stretch target for cycling is important as it reflects the significant investment that is being made in new walking and cycling infrastructure in the 2015/16, 2016/17 and 2017/18 financial years. Response – LTP targets reinstated with the addition of 5 additional monitoring sites.
Delivering value for money	24	This new performance measure was included in the draft SOI as a placeholder item. It has been replaced with the new section on value of money identified above.
Mandatory safety measure (pt1) - removal of updated SOI target	25	Council has confirmed that it does not intend to update its LTP performance measures this year, and that it is preferable that SOI and LTP measures remain in alignment. The implication is that changes should not be made to existing LTP targets unless they are material and are supported by a clear need and strong rationale (e.g. a change in budget or some underlying environmental factor). Response – LTP targets reinstated.
Mandatory safety measure (pt2) – creation of a 2018/19 target	25	Council has requested that a target be established for this measure for 2018/19. Response – created a 2018/19 target and deleted reference to this measure being removed from the 2018 SOI.

Items to be finalised post Board Approval

The following sections remain to be completed following Board approval:

- Statement of Imagination (to be drafted by the Board Chair)
- Update of financial information (to be updated following confirmation of 2016/17 financial information).



Next steps

The final SOI will be submitted to AC no later than 30 June 2016.

Attachments

Attachment Number	Description
1	Shareholder comments on the draft SOI – letter from AC dated 29 April 2016
2	Updated draft Statement of Intent 2016/17 to 2018/19

Document ownership

Submitted by	Christine Perrins Manager, Strategic Transport Planning	
Recommended by	Peter Clark Chief Strategy Officer	
Approved for submission	David Warburton Chief Executive	

Glossary

Acronym	Description
AC	Auckland Council
AT	Auckland Transport
CCO	Council Controlled Organisation
CFC	Customer Focus Committee
LTP	Auckland Council's Long-term Plan
SOI	Statement of Intent

ATTACHMENT 1.



29 April 2016

Dr Lester Levy
Chair
Auckland Transport (AT)

BY EMAIL: Lester.Levy@aucklandtransport.govt.nz

Tēnā koe Lester

RE: Shareholder comments on the draft Statement of Intent (SOI) 2016-2019

The Council Controlled Organisations Governance and Monitoring Committee considered Auckland Transport's (AT) draft SOI 2016-2019 at its 29 March 2016 meeting.

At the meeting, the committee resolved to convey a number of general shareholder comments that relate to all CCOs and some specific comments that are specific to AT. Our CCO Governance team is available to assist to ensure that the intention of these comments is reflected in your final SOI.

General shareholder comments

Aligning the final 2016-2019 SOI with the final 2016/2017 AP

The final SOI must align to the decisions made as part of the council's 2016/2017 AP and meet legislative requirements. All financial and non-financial information must be aligned between these documents as they are finalised.

Value for Money

The council group must have a strong focus on delivering value for money for the rate payers of Auckland. That includes a pro-active search for savings through greater use of shared services, and actively participating in council's Alternative Financing project. The final SOI should detail the actions the CCO is taking to increase value for money for ratepayers.

Signage and communications - building Aucklanders' understanding of assets and services

Public understanding of the breadth of assets and services provided to them by the council group must be improved in order to increase overall democratic accountability and participation. Signage and other forms of communications should give recognition to the council (as the shareholder) by incorporating the AT council group logo whenever ratepayer funds or assets are being used to support activity. Co-branding principles and examples are clearly outlined in the Auckland Council Identity Guidelines (October 2013), the CCO logo guidelines (May 2013) and the Auckland Council Signage Manual v3.2 (September 2014). Council is also developing a Te Reo framework which will guide future council and CCO bilingual communication with the public.

A commitment to proactive and meaningful engagement with the work of the Brand Navigation Group (BNG) is required in the final SOI so that these communication issues can be worked through and public understanding of the use of ratepayer funds is improved.

Achieving better outcomes for and with Māori

Council is seeking to use consistent terminology when communicating its activities for Māori. We ask that you amend your final SOI to use the term "achieving better outcomes for and with Māori" rather than "Maori responsiveness" (e.g. heading on page 15).

Because the council and its CCOs need to be responsive to both mataawaka and mana whenua, CCOs should make appropriate reference to each group in their final SOIs.

Local government changes

Changes to local government legislation have meant that other local authorities are required to consider the use of inter-regional CCOs as an option for service delivery. We ask that if AT is approached by another local authority to provide services, that you discuss any such approaches with us at the earliest opportunity.

Specific shareholder comments

The following matters, outlined in the Letter of Expectation (LOE), have not been included sufficiently in the draft SOI and require amendment:

- Auckland Transport states that it is currently reviewing the CCO Governance Manual. It should confirm its ability to comply with the CCO Governance Manual in the final SOI, especially the expectations on co-branding and signage (acknowledgement of ratepayer contribution)
- quarterly (rather than annual) reporting of progress against the Accelerated Transport Programme

In addition to proactively working with the council on shared services, commitment should be made in the final SOI to working with other parts of the council group to improve the integration of maintenance activities especially with regard to green spaces, footpaths and lighting in the public realm – including the road reserve, parks and reserves.

The recommendations of the value for money review should also be incorporated into the final SOI if timing permits.

On 14 April 2015, the Council Controlled Organisations Governance and Monitoring Committee resolved that all CCOs including AT, must develop a service performance measure for their engagement with mana whenua in consultation with the Independent Māori Statutory Board (IMSB) (Resolution COU/2015/27). No such measure has been included in this draft SOI, therefore the council requires that this measure is included in the final 2016-2019 SOI.

We recommend a number of other improvements to the draft SOI to reflect the investment outlined in the LTP, namely:

- enabling council to ensure that the investment in rail electrification leads to increases in rail efficiencies. The final SOI should provide separate rail boarding targets (from overall public transport boardings) so that the council can continue to monitor the progress of rail patronage
- a high level description of the programme of initiatives AT has to improve train travel times
- an increase in the cycling target for 2017/2018 to reflect the additional \$110 million for walking and cycling provided by the Accelerated Transport Programme. This could be noted as an amendment to the original LTP target so that alignment between the documents is maintained.
- continuation of monitoring of cycling trips outside of the city centre to facilitate the equitable distribution of cycling funding and resources
- visibility of the freight network in the draft SOI. There are 10 performance measures that relate to the freight network in the draft SOI (page 20). The link back to strategic outcomes is described as “build network optimisation and resilience”. The use of technical language such as this in the draft SOI makes it difficult for the average reader or stakeholder group (e.g. freight operators) to monitor investment in the freight network. Additional explanatory text in this part of the final SOI is recommended
- local board member satisfaction performance measures and targets are included in the draft SOI which the council commends. However the targets that have been set are too low (43% for satisfaction with reporting and 55% for consultation). Local Board Services and AT staff should work together to agree a more appropriate satisfaction target,

sharing ideas on making the best use of the considerable resource AT have applied to working with local boards.

Finally, as transport projects often create or renew public spaces, AT should articulate in the final SOI, how it will incorporate Māori identity and Te Aranga design principles in its projects.

I look forward to receiving the final SOI by 30 June 2016.

Nāku noa, nā

A handwritten signature in blue ink, appearing to read 'Penny Hulse', written in a cursive style.

**DEPUTY MAYOR PENNY HULSE
CHAIR CCO GOVERNANCE AND MONITORING COMMITTEE
AUCKLAND COUNCIL**

cc Mayor Len Brown
cc Stephen Town, Chief Executive, Auckland Council
cc David Warburton, Chief Executive, Auckland Transport



Statement of Intent

2016/17-2018/19

June 2016 - DRAFT FOR AT BOARD
REVIEW



HE MIHI

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

STATEMENT OF IMAGINATION

2016/17 Statement of Imagination to be developed for final SOI

TBC

DRAFT

CHAIR'S FOREWORD

This Statement of Intent (SOI) outlines the three year work plan (2016/17 to 2018/19) to continue delivering to the strategic direction for transport in Auckland, the key actions required for achievement and the consequential key performance measures.

This SOI is presented using the five strategic themes endorsed by Auckland Transport's Board:

- Prioritise rapid, high frequency public transport
- Transform and elevate customer experience
- Build network optimisation and resilience
- Ensure a sustainable funding model
- Develop creative, adaptive, innovative implementation

These five themes will guide Auckland Transport's future decisions and actions, aimed at providing an accessible, integrated, efficient and innovative transport system. The five strategic themes are also critical to the realisation of the Auckland Plan's vision.

Over the past year, Auckland Transport has made progress towards achieving such a transport system, some examples of which follow:

- CRL's Notice of Requirement (NoR) confirmed and enabling works underway
- New city centre cycleways developed along Beach Road, Nelson Street and Quay Street providing key links in the Auckland Cycle Network
- New double decker buses operating on key routes
- Successful rollout of the public transport New Network on the Hibiscus Coast
- Significant progress on the upgrade of Te Atatu Road and Albany Highway corridors
- Key bus-rail interchanges advanced; construction commenced at Otahuhu, enabling works underway at Manukau, and detained design in progress at Pukekohe.

These are amongst the developments that have helped set a strong base from which to further improve the transport system in Auckland. However, our ability to maintain and grow that momentum is dependent on a supportive policy and regulatory environment and realistic funding of both operational and capital requirements.

This SOI has been prepared within the funding environment reflected in the Regional Land Transport Plan and Auckland Council's Long-term Plan. Although the approved Accelerated Transport Programme has provided welcome additional funding for key projects, the limits on funding in some areas has the realistic consequence that the pace of change will not be as fast as is required to deal with the legacy infrastructure issues as well as the forecasted demographic changes. Axiomatically this will impact the ability to deliver the desired levels

of service over time.

Despite these constraints, Auckland Transport is committed to making the best use of the resources at its disposal, and initiatives such as the new public transport network, rail electrification, integrated fares and new performance-based public transport contracts will allow the delivery of better transport services for the resources available. By focusing on these initiatives and other improvements aligned to our strategic themes, Auckland Transport will continue to strive towards achieving a transport system worthy of one of the world's most liveable cities.

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1. PURPOSE OF STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Auckland Transport for the next three years, and the objectives that those activities will contribute to. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

2. ABOUT AUCKLAND TRANSPORT

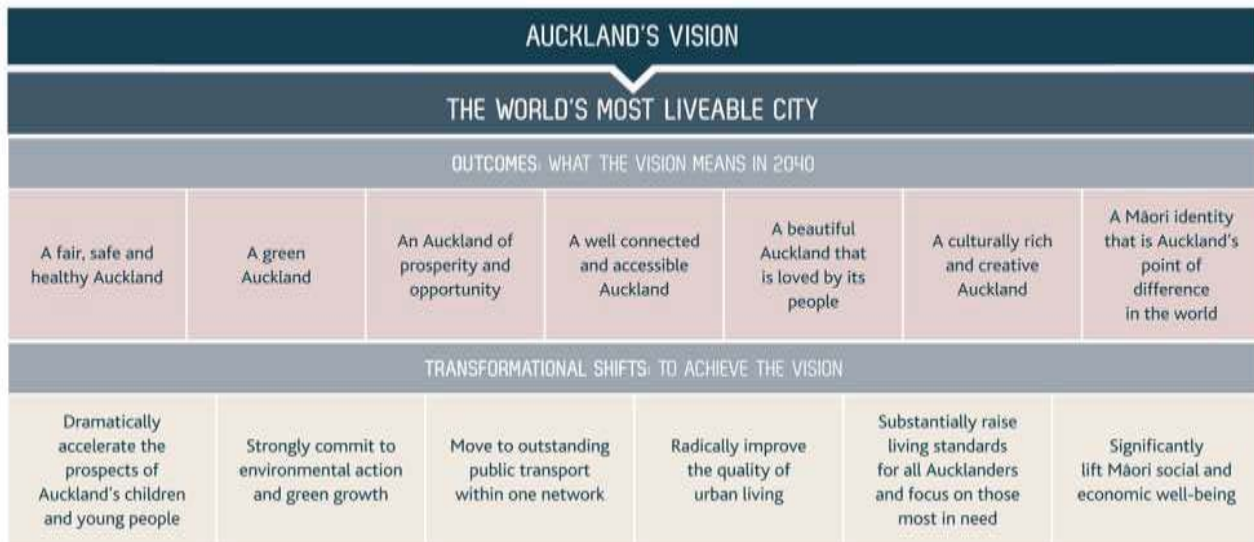
Established under section 38 of the Local Government (Auckland Council) Act 2009, Auckland Transport is responsible for the planning, development and management of all of the Auckland region's transport system (excluding the State highways and railway corridors) – including roads and footpaths, cycling and walking infrastructure, parking facilities, and public transport.

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. AUCKLAND TRANSPORT'S CONTRIBUTION TO THE WORLD'S MOST LIVEABLE CITY

The Auckland Plan is the roadmap to deliver on Auckland's vision to be the world's most liveable city. It is a thirty year plan that is underpinned by a set of outcomes and transformational shifts to achieve this vision which help ensure we focus on the right things.



The Auckland Plan sets strategic direction and transformational shifts to achieve actions, targets and outcomes that are required to achieve the vision to be the world's most liveable city. Auckland Transport plays a critical part in delivering on these actions and targets. In particular, Auckland Transport actions which contribute to the transformational shifts are outlined in the table below:

Auckland Plan	Degree of contribution	How Auckland Transport contributes
Children & young people	Secondary	<ul style="list-style-type: none"> Public transport services including school transport and fares concessions School travel planning and road safety initiatives
Environmental action & green growth	Secondary	<ul style="list-style-type: none"> Contributing to the reduction of greenhouse gas emissions by: <ul style="list-style-type: none"> Providing effective and efficient transport alternatives to private vehicle use, such as public transport and cycle- and walk-ways; Completing the rollout of electric trains
Outstanding public transport	Primary	<ul style="list-style-type: none"> Providing reliable, efficient and safe rail, bus and ferry services, thereby increasing public transport patronage
Quality urban living	Primary	<ul style="list-style-type: none"> Contributing to a quality built environment through enhanced accessibility and well-planned and vibrant town centres that are walkable and have streetscapes that reflect local identity; and Providing an effective, efficient and safe transport system that supports growth, including geographic spatial priorities and special housing areas
Raised living standards	Secondary	<ul style="list-style-type: none"> Providing effective and efficient transport choices enabling Aucklanders to easily access economic, social and cultural opportunities

Auckland Plan	Degree of contribution	How Auckland Transport contributes
Māori cultural, social and economic transformational shifts	Secondary	<ul style="list-style-type: none"> Improving Māori economic, social and cultural opportunities through public transport network improvements and transport infrastructure projects Ensuring effective engagement with mana whenua on transport projects and developing a measure for mana whenua engagement

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4. STRATEGIC THEMES

The Auckland Transport Board has identified the following five strategic themes to guide its actions and decisions:

- Prioritise rapid, high frequency public transport;
- Transform and elevate customer experience;
- Build network optimisation and resilience;
- Ensure a sustainable funding model; and
- Develop creative, adaptive, innovative implementation.

By following these strategic themes, Auckland Transport aims to make a significant contribution towards the overarching objective of the Auckland Plan - for Auckland to become the world's most liveable city.

Prioritise rapid, high frequency public transport

Prioritising rapid, frequent public transport will contribute to realising the Auckland Plan's vision by significantly enhancing transport choices, thereby improving transport accessibility in Auckland. The development of a rapid and frequent network will make public transport a more compelling choice for those that currently favour car travel, which is the larger number of Aucklanders. As more people use trains, buses and ferries, the transport system will be better able to cope with Auckland's significant growth, leading to better environmental and economic outcomes.

Giving priority to developing the public transport system, with a particular focus on those parts of the network that are able to provide the rapid and frequent services that are necessary to enable significant patronage growth, will also help to realise one of the Auckland Plan's transformational shifts – to move to outstanding public transport within one network.

To achieve this transformation Auckland Transport is working on a number of major initiatives that will expand and enhance the rapid and frequent public transport network over the period of this SOI. These include completing the roll-out of electric trains, implementing integrated fares and the staged introduction of a new, connected bus network with improved frequencies. In combination, these initiatives are expected to result in continued strong patronage growth over the period of this SOI, with a target of approximately 95 million total boardings by 2018/19, and rail boardings exceeding the 20 million target before 2020.

Transform and elevate customer experience

Auckland Transport is placing a strong emphasis on understanding what its customers want, and enhancing the customer experience by ensuring that customers are at the centre of everything we

do. We are focused on making the transport system safer, simpler and easier to use, with services that meet our customers' demands.

For public transport, this includes: enhanced way-finding; innovative ways of providing information; improved station and transfer facilities, including enhanced security; integrated services, ticketing and fares; consistent branded services through the *AT Metro* brand; and programmes to recognise and encourage customer loyalty.

For the road network, it includes route optimisation that improves traffic flows, which increases the people and goods-moving capacity of the existing network, innovative traffic information and targeted road safety improvements.

The transformation and elevation of the transport customer experience will improve the accessibility and connectivity of Auckland's transport system.

Build network optimisation and resilience

An optimised and resilient transport network is critical for Auckland's economic productivity. Network optimisation and resilience enables the network to better respond to the needs of commercial transport and provides for positive road and public transport safety outcomes and enhances accessibility and connectivity.

To achieve such a transport network, 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; and
- the transport system operates at an optimal level of service, and provides customers with choices and network resilience.

To give effect to the "one system" approach, Auckland Transport developed an Integrated Transport Programme (ITP) in conjunction with the Auckland Council and New Zealand Transport Agency. The ITP enables projects critical to Auckland's transport needs to be identified, planned, funded and implemented in a coordinated and strategic manner.

Auckland Transport will also improve network optimisation and resilience by continuing to focus on route optimisation initiatives, which improve the productivity of major arterial routes – providing real time information and congestion management, focusing on safety improvements, and better integrating active transport into the wider network.

Ensure a sustainable funding model

Auckland Transport recognises the important funding relationships that exist with the Auckland Council and NZTA. By making informed decisions on how transport expenditure is prioritised, and ensuring that its programmes are efficient and deliver maximum value for money, Auckland Transport aims to deliver the best value for this funding investment over time.

The ITP ensures that funding is directed towards those activities that will make the most cost-effective contribution to Auckland Plan outcomes, and the national transport objectives articulated through the Government Policy Statement on Land Transport (GPS). Effective coordination with NZTA will help to maximise the amount of funding available for investment in Auckland's transport system, and rigorous financial planning and forecasting will help to maximise the return on that investment.

Auckland Transport will continue to focus on making the best use of the existing transport system. This will be achieved by a proactive approach to asset management, ensuring a whole of life approach to investment, maintenance and renewals.

Auckland Transport will continue to focus on the important contribution that user revenues make to the transport system, through public transport fares, parking revenues and the like. It will also look to expand its funding to include new and innovative revenue sources, including commercial partnerships. It will also examine opportunities to divest surplus assets where appropriate, and will maintain a strong focus on cost minimisation, through improved procurement arrangements and business improvements.

Develop creative, adaptive, innovative implementation

A modern, prosperous, liveable, world-class city demands a transport system that implements creative, adaptive and innovative solutions to transport challenges. Auckland Transport will focus on identifying such solutions.

Auckland Transport will also continue to focus on:

- the use of new technologies, especially smart phones, real time information;
- providing better information to customers;
- the use of HOP data to better understand and respond to customer needs;
- partnerships with innovative partners: academic and commercial;
- supporting innovation hubs, and the use of new transport technologies;
- participation in the targeted and integrated spatial approach to development as part of the Council's spatial priority areas (SPAs) and special housing areas (SHAs).

5. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION

The following table details the key initiatives/projects to deliver on Auckland Transport's strategic objectives/themes.

Note that the programme outlined below reflects the Accelerated Transport Programme in the Regional Land Transport Plan (RLTP) and the Auckland Council's Long-term Plan 2015-2025.

Key projects and initiatives	Description	Contribution to strategic themes
New public transport network	Rail: improved punctuality and customer service	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Transform and elevate customer experience
	Bus: improved customer service and logical, intuitive and integrated schedules with implementation of new network: <ul style="list-style-type: none"> • South New Network by 2016 • West, Isthmus, North Shore and East New Network by 2017 	
	Off-peak frequency improvements on Inner Harbour ferries by 2016	
Improvements to train travel times	Measures include signal and interlocking works, line speed improvements and level crossing pedestrian gates	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Transform and elevate customer experience
City centre public transport access	Continue investigations to address bus congestion in city centre, including investigations into light rail on selected arterial routes	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Develop creative, adaptive, innovative implementation
Real time public information system improvements	Ongoing improvements to accuracy and accessibility of real time information	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Transform and elevate customer experience
Otahuhu Station	Delivery of a new high quality station by the end of September 2016 to enable implementation of the new network in the South	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Transform and elevate customer experience
Manukau Station	Delivery of a new high quality station by the end of September 2017, including interim temporary bus stop measures, to enable implementation of the new network in the South	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Transform and elevate customer experience
Westgate Bus Interchange (Part of NORSGA Plan Change 15)	On street works underway in 2016 and full implementation by 2022	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport • Transform and elevate customer experience
Integrated fares	Implementation of a simpler, integrated fare structure by Q2 2016	<ul style="list-style-type: none"> • Prioritise rapid, high frequency public transport

Key projects and initiatives	Description	Contribution to strategic themes
		<ul style="list-style-type: none"> Transform and elevate customer experience
City Rail Link	Enabling works for City Rail Link (across Lower Queen St and under Downtown building) progressed to meet timeframes agreed with Precinct Properties Ltd	<ul style="list-style-type: none"> Prioritise rapid, high frequency public transport Transform and elevate customer experience Build network optimisation and resilience
Development of safe cycleways and walkways	Completion of Waterview Cycleway Connection (joint project with NZTA) by 2018 Extend the regional cycleway network Support greenways plans within the development of safe cycleways and walkways	<ul style="list-style-type: none"> Transform and elevate customer experience Build network optimisation and resilience
Supporting growth enabled by Proposed Auckland Unitary Plan	Hobsonville Point Park and Ride complete by July 2017	<ul style="list-style-type: none"> Transform and elevate customer experience Build network optimisation and resilience Prioritise rapid, high frequency public transport
	Massey North Town Centre substantially complete by July 2018	<ul style="list-style-type: none"> Build network optimisation and resilience
	Establish the Local Residential Growth Fund and commit over \$100m towards transport infrastructure to enable growth and development in Auckland	<ul style="list-style-type: none"> Ensure a sustainable funding model Develop creative, adaptive, innovative implementation
	Glenvar Ridge Rd (Long Bay) construction complete 2018	<ul style="list-style-type: none"> Transform and elevate customer experience Build network optimisation and resilience
Maximise value from existing assets	Review and assess maximising value from existing assets, and identification of surplus non-strategic assets for disposal	<ul style="list-style-type: none"> Ensure a sustainable funding model
Improved effectiveness of operating expenditure	Programme for achieving efficiency targets for operating expenditure while maintaining service delivery over the course of the SOI	<ul style="list-style-type: none"> Ensure a sustainable funding model
Improved value for money and sector performance for road construction, operations and renewals	Implement the recommendations of the national Road Efficiency Group, including One Network Road Classification	<ul style="list-style-type: none"> Ensure a sustainable funding model
New public transport contracts	Shift to new performance-based commercial and contractual framework for public transport services, based on Public Transport Operating Model (PTOM) (rolling change as contracts are renegotiated)	<ul style="list-style-type: none"> Ensure a sustainable funding model Transform and elevate customer experience
Competitive pricing and improved value for money	Ensure effective systems are in place to achieve competitive pricing and improved value for money from the new network	<ul style="list-style-type: none"> Ensure a sustainable funding model
Coordinate travel planning initiatives	Support schools, workplaces and tertiary institutions to identify and use transport	<ul style="list-style-type: none"> Develop creative, adaptive, innovative implementation

Key projects and initiatives	Description	Contribution to strategic themes
	options other than single occupancy private vehicles	
Route optimisation	Progress route optimisation programme, which helps ease congestion on Auckland's road network	<ul style="list-style-type: none"> • Build network optimisation and resilience • Transform and elevate customer experience • Develop creative, adaptive, innovative implementation

Achieving better outcomes for and with Māori

The following table sets out specific projects which will help to deliver on Māori responsiveness – contributing to Māori well-being, organisational effectiveness, and post-Treaty settlement opportunities.

Key projects and initiatives	Description	Contribution to achieving better outcomes for and with Māori
Mana whenua engagement	<p>Engagement with mana whenua on major transport infrastructure projects and walking and cycling projects utilising AT's Māori Engagement Framework.</p> <p>During 2015/2016, AT and mana whenua worked in partnership to develop a service measure for evaluating AT's performance in its mana whenua engagement processes and outcomes.</p> <p>Mana whenua identified that in evaluating engagement, Māori values/Te Ao Māori (the Māori World view) is a critical factor.</p> <p>A mauri (life force/essence) qualitative measure based on a model developed by Taina Whakaatere Pohatu (Te Wānanga o Aotearoa), was recommended which assesses whether Māori values/Te Ao Māori values are being upheld in AT's engagement process ('Achieving mauri').</p> <p>A series of quantitative measures is recommended to evaluate effectiveness of engagement processes and outcomes.</p> <p>During 2016/2017 the measurements will be used and refined where applicable in a range of projects.</p>	<p>Mana whenua input to transport infrastructure development and design, contributing to AT's Māori responsiveness (Whai Tika)</p> <ol style="list-style-type: none"> (1) Qualitative measure for 'Achieving Mauri' in AT's engagement process; and (2) Quantitative measures (1-5 scale): <ol style="list-style-type: none"> (a) Responsiveness - how well were mana whenua concerns and interests responded to in a project process; (b) Communication - consistent with, technical explanations explained clearly; (c) Timing - engage early, ensure engagement continued in timely manner to incorporate Māori values and outcomes at the right time; (d) Process - inclusive, were Māori values incorporated throughout the process and tikanga observed such as karakia (e) Outcomes - are Mana Whenua values and the use of tools such as Te Aranga Māori Design principles evident in the process and visible in the final project delivered?

Key projects and initiatives	Description	Contribution to achieving better outcomes for and with Māori
Te Aranga Māori Design	Te Aranga Māori Urban principles are incorporated into projects through AT's engagement framework, and other guiding documents such as AT's Māori Engagement Guide for Project Management. Te Aranga Māori Urban Design can be articulated for example in the application of Te Taiao (Environment) through planting choices, and Whakapapa (Geneology) tribal cultural narratives are celebrated in infrastructure design.	AT's engagement framework, contribution to Whai Tika
Road safety programmes – young Māori drivers and passengers	Delivery of road safety programme to increase road safety and graduated licenses and reduce Māori road fatalities. This programme of work is designed for mana whenua and mataawaka communities.	Contributing to Whai Painga (social)
Marae development and road safety	Design and construction of marae road turnouts.	Contributing to Whai Tiaki (cultural)
Māori values and stormwater	Māori values such as mauri are considered in stormwater management in transport projects.	Contributing to Whai Tiaki (cultural)
Marae development and papakainga	Infrastructure support and technical advice on marae development and papakainga housing.	Contributing to Whai Tiaki (cultural)
Te Reo Māori Framework	Auckland Council is currently developing a Te Reo Māori Framework which will guide future council and CCO dual language communication with the public. Auckland Transport will work with council on developing and implementing this framework with agreed actions.	Contributing to Māori responsiveness, Whai Tika (Effectiveness for Māori)

In addition, although most Auckland Transport projects are not specifically tailored to Māori, many of them will directly benefit Māori by virtue of their nature and location. For example, the roll-out of the new public transport network will improve the range of destinations and service frequencies for public transport in areas with high concentrations of Māori, thereby improving Māori access to social and economic opportunities. Similarly, capital development projects in areas of high Māori population can also improve Māori access to social and economic opportunities.

2016/17 Letter of Expectation

The following two tables outline the key issues identified in the 2016/17 Letter of Expectation, and Auckland Transport's response illustrating how each point will be implemented over the three years covered by this SOI.

Key focus area	Auckland Transport response
Maintaining strong growth in public transport patronage, particularly on the rail network, to meet government targets for a 2018 start to the main works of the City Rail Link project.	Auckland Transport confirms that it will continue its focus on delivering strong growth in public transport patronage. Planned initiatives include: <ul style="list-style-type: none"> Progress design and early works for the City Rail Link Continued rollout of the public transport New Network

Key focus area	Auckland Transport response
	<ul style="list-style-type: none"> • Delivery of new high quality public transport interchanges at key locations around the region • Improvements to bus stops, rail stations and wharves across the region • Extensions to the regional network of bus lanes and park and rides
<p>Demonstrate how the primary focus <i>'Radically improve the quality of urban living'</i> is reflected in work programmes.</p>	<p>Auckland Transport will incorporate this key focus area into its 2016 Annual Report. The annual report will discuss Auckland Transport's achievements and work programmes delivered during the 2015/16 financial year – and will specifically address how the organisation's activities deliver radical improvements in the quality of urban living in Auckland.</p>
<p>Ensuring good progress is maintained on delivering early works for the City Rail Link project, including effectively managing any impacts of this construction on the city centre.</p>	<p>Early works on the City Rail Link were started in the summer of 2015/16. Auckland Transport will continue to work with stakeholders and proactively manage the project impacts on the city centre.</p>
<p>Maintaining a strong focus on delivery of capital expenditure and maintenance programmes across all asset classes including roads and footpaths.</p>	<p>Auckland Transport confirms that it will continue to focus on delivering the \$7.9b ten year capital programme approved under the 2015-25 Long-term Plan.</p>
<p>Maintaining momentum on delivering the cycleways capital expenditure programme to leverage the available government funding and maximising the increase in people cycling, and continuing to work with council to develop the Greenways Network Plan. The cycleways capital expenditure programme should be fully achieved for each year of the LTP, which may require that Auckland Transport boost its capacity to deliver the large number of small projects that are contained within it.</p>	<p>Auckland Transport will continue to work collaboratively with Auckland Council, the New Zealand Transport Agency, cycling stakeholders and the construction industry to ensure the successful delivery of the three year cycleway programme approved under the Long-term Plan.</p> <p>Recent progress includes:</p> <ul style="list-style-type: none"> • Auckland Transport is working closely to develop a Greenways Plan with Auckland Council, including a new design framework for Greenways, and is progressing on the key flagship projects to be delivered by 2018. • Auckland Transport is making steady progress with the accelerated walking and cycling programme. The first section of Nelson Street cycleway was opened in December 2015 and is attracting high levels of use. Construction started on the Glen Innes to Tamaki Drive cycleway in August 2015, and started on the Waterview Shared Path in February 2016. • Auckland Transport is actively looking for opportunities to deliver the programme efficiently and is preparing to launch a series of consultations in spring 2016.
<p>Ensuring the successful rollout of the public transport New Network by effectively integrating route changes, infrastructure provision and the introduction of the simplified zone-based fares. It will be particularly important for Auckland Transport to have a strong customer focus throughout the process, in order to ensure strong patronage growth is maintained.</p>	<p>Successful implementation of the public transport New Network is one of Auckland Transport's key priority areas for the period covered by this SOI. A range of supporting activities are planned to support the New Network including:</p> <ul style="list-style-type: none"> • Implementing Simplified Zone Fares (the new integrated ticket for Auckland) • Delivery of new high quality interchanges at key transfer points under the New Network (Silverdale, Westgate, Te Atatu, Otahuhu, Manukau and Pukekohe) • An ongoing programme of smaller improvements to bus stops, rail stations and wharves across the region
<p>Completion of the integrated ticketing programme.</p>	<p>As noted above, this is one of Auckland Transport's key initiatives to support the integrated New Network. During 2015 the Regional Public</p>

Key focus area	Auckland Transport response
	<p>Transport Plan was amended to facilitate the transition to the new Simplified Zone Fares.</p> <p>Auckland Transport confirms that the new integrated ticketing system will be implemented over the period covered by this SOI.</p>
<p>Contributing to and supporting completion of the Auckland Transport Alignment Project for the purpose of it becoming the foundation of the 2018 Regional Land Transport Plan.</p>	<p>Auckland Transport confirms that will continue to actively participate in the Auckland Transport Alignment Project (ATAP) and work productively with Auckland Council, Ministry of Transport, New Zealand Transport Agency, New Zealand Treasury and State Services Commission to deliver a positive outcome that underpins the 2018-28 Regional Land Transport Plan and Long-term Plan.</p>
<p>Continuing to work with the council, key partners and stakeholders, such as New Zealand Transport Agency (NZTA) and Kiwirail, to ensure effective plans are in place for supporting key growth areas. This will require that an integrated approach is taken to the planning of major projects like the Additional Harbour Crossing and the continuing development of the rapid transit network (including the Light-Rail business case).</p>	<p>Auckland Transport confirms that it will continue to work positively with Auckland Council, Ministry of Transport, New Zealand Transport Agency, and KiwiRail to progress planning and delivery of infrastructure to support Auckland's key growth areas.</p>
<p>Ensuring the delivery of, and separate monitoring and reporting on the Accelerated Transport Programme as included in the Long-term Plan 2015-2025.</p>	<p>Auckland Transport will incorporate this key focus area into its quarterly and annual reports.</p>
<p>Ensuring that consistent branding and communication with the public reinforces the concept of one Auckland Council. Council has previously resolved to facilitate the delivery of the Brand Identity Guidelines through the Brand Navigation Group (BNG). Council expects that Auckland Transport proactively supports and participates in the BNG and adheres to the Brand Identity Guidelines, especially the direction given on co-branding principles.</p>	<p>Auckland Transport confirms that it will continue to proactively and meaningfully engage with Auckland Council and other members of the council family to deliver consistent branding under the guidance of the BNG and Brand Identity Guidelines.</p>
<p>Continuing the Auckland Transport activities that contribute to Te Toa Takitini work programmes. Currently, Auckland Transport has no specific performance measures relating to the council group's Maori responsiveness goals. However, the current SOI does state that "AT is working with mana whenua forum to develop an indicator to assess Auckland Transport's quality of engagement with mana whenua". Council expects to see that indicator included in the next SOI and continued contribution to the Te Toa Takitini reporting mechanisms.</p>	<p>Auckland Transport confirms that it will continue to deliver activities that contribute to Te Toa Takitini.</p> <p>Auckland Transport will also report to Auckland Council by June 2016 demonstrating the new mana whenua engagement indicator currently under development.</p>
<p>As per our LTP discussion on ring-fenced projects, Auckland Council expect that funding for the following projects will not be reprioritised:</p> <ul style="list-style-type: none"> • Seal extension • Harbourmaster • City Rail Link • EMU • Land Acquisitions (SMART) • Local Board funding • Araparera Forestry Joint Venture • Walking and cycling network capital programme 	<p>Auckland Transport confirms that funding for the identified projects will be treated as "ring fenced", and will not be re-prioritised for any other purposes without the approval of Auckland Council.</p>

Other key issues outlined in the Letter of Expectation	Auckland Transport response
<p>Delivering value for money</p> <p>Auckland Council expects that Auckland Transport will contribute to council's drive towards greater use of shared services and to actively engage in council's Alternative Financing project, as appropriate.</p>	<p>Auckland Transport confirms that it is committed to driving value for money through greater use of shared services, and will actively engage in council's Alternative Financing and other organisational efficiency initiatives as required.</p> <p>Auckland Transport will also work with other members of the council group to improve integration of services including maintenance of green spaces, footpaths and lighting.</p>
<p>Working with local boards</p> <p>Auckland council expects that there is integrated planning with local boards on place-making initiatives and transport projects that enhance the environment. The council also asks that Auckland Transport continue to engage with and consider the needs of local boards when developing work plans.</p>	<p>Auckland Transport maintains a positive working relationship with all local boards and confirms that it will continue to engage with boards on projects in their respective areas.</p>
<p>The new CCO Governance Manual</p> <p>Auckland Council expects that the Auckland Transport board will review the new Governance Manual to ensure its ability to comply with those expectations including the 'no surprises policy' and the new expectations on signage.</p>	<p>The Auckland Transport board confirms that it has reviewed and will comply with the CCO Governance Manual including the council's 'no surprises policy' and its expectations on co-branding and signage (acknowledgement of ratepayer contribution).</p>

Value for Money

Auckland Transport has an obligation to provide ratepayers with value for money. To this end, the Board commissioned a Value for Money Review during 2015/16. This showed that on many levels, AT was operating efficiently and effectively and had completed the transition from legacy organisation to CCO well.

The next challenge is two-fold:

- Drive value from the organisation to move from a good organisation, to one which delivers excellent value; and
- Measuring what value is. This is a challenge for all organisations, not just those delivering public services.

Organisations which deliver value for money have a number of effective processes which help ensure value is achieved. These often include:

- A formal means of engaging with customers to determine what is important to them and how well the organisation is delivering against these;
- Budgeting and planning processes which allow resources to be reallocated from other areas to areas of greatest priority; and

- Post-project reviews which evaluate the benefits realised against the original business case.

This isn't an exhaustive list. Auckland Transport will continue to improve these key business processes over the life of the SOI.

Organisations which deliver value for money are also able to demonstrate that they are operating efficiently. Furthermore, what is being produced efficiently is also aligned with customer and strategic priorities. This will often involve benchmarking against similar organisations.

Over the 2016/17 year, Auckland Transport will:

- Develop benchmarks representing good practice for key metrics
- Track savings achieved
- Measure cost per kilometre of service for public transport.

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6. PERFORMANCE OUTLOOK

Key performance measures

Auckland Transport has an agreed set of key performance measures and targets which form the basis for accountability to delivering on the Council's strategic direction, priorities and targets. These will be reported on a quarterly basis, in accordance with the CCO Governance Manual.

Auckland Transport is accountable for delivery against measures and targets reviewed annually under this SOI, plus a number of parallel items approved in June 2015 and listed in Auckland Council's 2015 Long-term Plan (LTP). The following table includes measures and targets from both documents. There are some new measures included in this SOI which are expected to replace existing items when the LTP is reviewed in 2018.

Strategic theme	Measure	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target	2018/19 Target
Prioritise rapid, high frequency public transport	Total public transport boardings (millions)	79.25	84.47	88.97	93.01	95.11
	Total rail boardings (millions)			19.5	20.7	21.6
	Boardings on rapid or frequent network (rail, busway, FTN bus)		Increase at faster rate than total boardings	Increase at faster rate than total boardings	Increase at faster rate than total boardings	Increase at faster rate than total boardings
Transform and elevate customer focus and experience	PT punctuality (weighted average across all modes)		92%	93%	94%	94.5%
	Customer satisfaction index: PT, road quality, footpath quality, road safety (four separate measures)	PT: 84% Road: 69% F/path: 65%	PT: 83% Road: 70% F/path: 65% Safety: 60%	PT 84% Road 70% F/path 65% Safety 60-65%	PT: 85% Road: 70% F/path: 65% Safety: 60-65%	PT: 85% Road: 70% F/path: 65% Safety: 60-65%
	Local road deaths and serious injuries per 100 million vehicle kilometres travelled ¹			5	4.9	4.8

¹ The rate of local road deaths and serious injuries per 100 million vehicle kilometres travelled is an estimate of exposure to crash-risk on the local road network

Strategic theme	Measure	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target	2018/19 Target
Transform and elevate customer focus and experience	Percentage of local board members satisfied with AT engagement (two separate measures) ²			Survey not undertaken during 2016/17	AT reporting to local board 56% AT consultation with local board 44%	AT reporting to local board 57% AT consultation with local board 45%
Build network optimisation and resilience	Arterial road productivity ³	53%	54% of the ideal achieved	55% of the ideal achieved	55% of the ideal achieved	55% of the ideal achieved

² Local board satisfaction results sourced from the Auckland Council Elected Members Survey. Results are not available every year as the survey is only undertaken every 18 months.

³ Road productivity is a measure of the efficiency of the road in moving people during the peak hour. It is measured as the product of number of vehicles, their average journey speed and average vehicular occupancy. Key arterial routes include:

- Airport to CBD (via Manukau 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)
- SH1 to Ti Rakau Dr (via Te Irirangi Dr)
- SH20 to Portage Rd (via Tiverton/Wolverton Rd)

Strategic theme	Measure	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target	2018/19 Target
	Travel times on key freight routes (ten separate measures) ⁴	Achieved on all routes				
	• SEART (from Sylvia Park to East Tamaki)		11mins	11 mins	11 mins	11 mins
	• SEART (from East Tamaki to Sylvia Park)		12 mins	12 mins	12 mins	12 mins
	• Wairau Rd (from SH1 to SH18)		8 mins	8 mins	8 mins	8 mins
	• Wairau Rd (from SH18 to SH1)		8 mins	8 mins	8 mins	8 mins
	• Harris Rd (from East Tamaki to SH1 Highbrook interchange)		10 mins	10 mins	10 mins	10 mins
	• Harris Rd (from SH1 Highbrook interchange to East Tamaki)		11 mins	11 mins	11 mins	11 mins
	• Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (SH20 to Walmsley)		13 mins	13 mins	13 mins	13 mins
	• Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (Walmsley to SH20)		13 mins	13 mins	13 mins	13 mins
	• Great South Rd (SH1 Ellerslie Panmure Hwy Interchange to Portage Rd)		11 mins	11 mins	11 mins	11 mins
	• Great South Rd (Portage Rd to SH1 Ellerslie Panmure Hwy Interchange)		11 mins	11 mins	11 mins	11 mins
	New cycleways added to regional cycle network (km)		7.4 km	16.4 km	28.8 km	2 km
	Annual number of cycling trips in designated areas in Auckland (all day)	906,518	1.1 million	1.2 million	1.8 million ⁵	2.0 million
Annual cycle movements in the Auckland city centre ⁶			1,847,000	2,015,000	2,184,000	

⁴ Maintain travel times for the 85th percentile of trips along each route

⁵ Annual number of cycling trips in Auckland (all day). This is based on 14 counters across the region which reflect the trend in cycling trips in Auckland. The 14 counters reflect the original nine sites plus the additional five sites - Tamaki Drive (west side of the road), Mangere Bridge, SH20 Dominion Road, East Coast Road and Lagoon Drive.

⁶ This measure relates to the total annual number of cycle movements recorded using 13 counters situated around the Auckland city centre as follows: Curran Street, Te Wero Bridge, Quay Street, Beach Road, Grafton Gully, Grafton Road, Grafton Bridge, Symonds Street, Upper Queen Street, Canada Street (until December 2015) / Light Path (from December 2015), Karangahape Road, Hopetoun Street, Victoria Street West

Strategic theme	Measure	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target	2018/19 Target
Ensure a sustainable funding model	PT farebox recovery ⁷		46-48%	47-50%	49-52%	Greater than 50%
Develop creative, adaptive, innovative implementation	Parking occupancy rates (peak 4-hour, on street) ⁸	86%	70% - 90%	70% - 90%	70% - 90%	70% - 90%
	No. of car trips avoided through travel planning initiatives ⁹	22,729	17,500	18,400	20,240	AT suggests that this be replaced with the below in the 2018 LTP
	Active and sustainable transport mode share at schools where the Travelwise programme is implemented			40%	40%	40%
	Active and sustainable transport mode share for morning peak commuters where the Commute programme is implemented			40%	40%	40%

Performance Reporting

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.

⁷ Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZTA guidelines.

⁸ 4-hour peak period is defined as the top 4 busiest hours of the day. These hours are not often coincidental and can vary depending on contributing factors. On-street parking occupancy is surveyed once a quarter in 3 central city parking zone precincts: Shortland/High Sts, K Road & Wynyard Qtr.

⁹ This measure considers the results achieved by AT's Travelwise for schools and Commute programmes, and is calculated as follows:

- Travelwise - travel modes to school is tested among Travelwise schools annually via survey, and is compared to baseline results (excluding car/walk 400m+)
- Commute - calculation of the number of trips converted from drive-alone to other modes amongst Commute programme participants.

Secretary for Local Government Mandatory Performance Measures

In addition to the key performance measures outlined above, Auckland Transport is also required by the Secretary for Local Government to report against specified non-financial performance measures (as per the Non-financial Performance Measures Rules 2013). Those measures, and correlating targets, are set out below.

Strategic theme	Measure	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target	2018/19 Target
Transform and elevate customer focus and experience	Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number		Reduce by at least 9	Reduce by at least 9	Reduce by at least 9	Reduce by at least 9
	Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames ¹⁰		85%	85%	85%	85%
Build network optimisation and resilience	Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads (two separate measures)	Rural 95% Urban 85%	Rural 93% Urban 83%	Rural 92% Urban 82%	Rural 91% Urban 81%	Rural 90% Urban 80%
	Percentage of the sealed local road network that is resurfaced		8%	8%	8%	8%
	Percentage of footpaths in acceptable condition (as defined in AT's AMP)		99%	99%	99%	99%

¹⁰ As defined in AT's customer service standards: 2 days for incident investigation as a high priority; 3 days for an incident investigation as a normal priority; 1 hour emergency response time.

7. SUMMARY OF FINANCIALS

The following summary of financials supports the delivery of the strategic deliverables and performance targets for Auckland Transport. The amounts shown reflect the approved transport budget in the Long-term Plan 2015-2025. **The table below will be updated prior to submitting the SOI.**

Auckland Transport SOI Financials

Key financial information

Operating budgets (\$million)	Annual Plan	Proposed Annual Plan	Long Term Plan	
	2015/16	2016/17	2017/18	2018/19
Revenue				
Funding from Auckland Council	250	259	267	275
Fees and user charges	182	271	326	333
Subsidies and grants	238	242	246	252
Vested assets	100	102	103	105
Total revenue	769	873	943	965
Expenditure				
Employee benefits	102	115	104	104
Depreciation and amortisation	311	338	347	359
Grants, contributions and sponsorship				
Other operating expenses	531	621	698	719
Total expenses	944	1,074	1,149	1,182
Finance income	0	0	0	1
Finance expense	31	31	32	32
Net operating Surplus/(Deficit)	(206)	(231)	(238)	(248)
EMU principal repayments	5	5	6	6

Capital budgets (\$million)	Annual Plan	Proposed Annual Plan	Long Term Plan	
	2015/16	2016/17	2017/18	2018/19
Total capital expenditure	620	879	752	642
Sources of capital funding:				
Subsidies and grants	171	217	161	324
Auckland Council	449	662	591	318
Total sources of capital funding	620	879	752	642
Shareholder equity ratio	96%	96%	96%	96%

Expenditure towards Māori outcomes

Expenditure on Māori outcomes is currently embedded in wider project budgets. Auckland Transport will continue to report on expenditure on Māori outcomes as part of its quarterly report to Council.

Other financial information

Current value of assets	The current value of Auckland Transport assets as at 31 December 2015 is \$17,006 million	
Shareholder equity ratio	The latest shareholder equity ratio for Auckland Transport as at 31 December 2015 is 96%	
Accounting Policies	Auckland Transport accounting policies are consistent with those of the Auckland Council group policies.	
Financial Reporting	Auckland Transport financial reporting will be in accordance with requirements of the CCO Governance Manual.	
Asset sales (\$ million)	2015/16 LTP	0
	2016/17 LTP	0
	2017/18 LTP	0
	2018/19 LTP	0

8. APPROACH TO GOVERNANCE

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual which sits alongside this SOI and also forms part of the annual binding agreement between council and Auckland Transport.

Auckland Transport is required to hold two public meetings a year (Local Government (Auckland Council) Act 2009), as follows:

Purpose	Date	Form of Public Notification
Consider performance against previous year SOI targets	August each year	Public notification in newspapers with a circulation across Auckland, and on the Auckland Transport website.
Consider shareholder comments on draft SOI	June each year	Public notification in newspapers with a circulation across Auckland, and on the Auckland Transport website.