

# MINUTES

SUBJECT	AUCKLAND TRANSPORT BOARD MEETING
VENUE	Council Chambers, Level 2, Civic Building, 6 Henderson Valley Road, Henderson
DATE	Tuesday 18 December 2012
TIME	9.00 a.m.
STATUS	Open Session

1.	<p><b>Present:</b></p> <p>Lester Levy, Chairman - (LL)          Geoff Dangerfield - (GD)          Christine Fletcher - (CF)          Mike Lee - (ML)          Paul Lockey - (PL)          Ian Parton - (IP)          Rabin Rabindran - (RR)          Mike Williams - (MW)          Pip Dunphy – (PD)</p>	<p><b>In Attendance:</b></p> <p>David Warburton          Dave Foster (Minutes)          Peter Clark          Simon Harvey          Claire Stewart          Wally Thomas          Alan Howard-Smith          Greg Edmonds</p> <ul style="list-style-type: none"> <li>- Jim Quinn CEO of Kiwi Rail</li> <li>- 2 members of the press and 2 members of the public in attendance</li> </ul>
2.	<ul style="list-style-type: none"> <li>• The Chairman spoke to the meeting and advised what the format of the 2013 meetings would be in order to enhance transparency. Starting in 2013 the confidential meeting will precede the open meeting (a change in the order from what has been the practice). Prior to the open meeting commencing the Chairman will brief the public and media in attendance as to the general themes discussed in the confidential section (ensuring that part of the content which is confidential remains that way). Following the open Board meeting the Chairman will be available for media interviews. The Chairman will be incrementally moving to have as much as is possible of the agenda in the open section. When items discussed in the confidential section are no longer required to be confidential, summaries of the original paper will appear in the next open agenda.</li> </ul> <p><b>Apologies</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>	
3.	<p><b>Declarations/Conflicts</b></p> <ul style="list-style-type: none"> <li>• Pip Dunphy added that she is on the Board of Solid Energy Limited.</li> <li>• There were no conflicts with items on the agenda.</li> </ul>	
4.	<p><b>Late Items of General Business</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>	
5.	<p><b>Approval of Minutes (Open)</b></p> <ul style="list-style-type: none"> <li>• <b>20 November 2012</b></li> </ul> <p><i>Resolution:</i></p> <p><i>That the minutes be adopted.</i></p> <p style="text-align: center;">(Rabin Rabindran / Mike Williams)</p>	
6.	<p><b>Matters Arising not on Agenda</b></p> <ul style="list-style-type: none"> <li>• Nothing to report.</li> </ul>	

7.	<p><b>Action Points</b></p> <ul style="list-style-type: none"> <li>• <b>20 November 2012</b></li> </ul> <p>The Chairman noted his comment on Marketing and that it should be a much more strategic approach.</p>
8.	<p><b>Financial Report</b></p> <ul style="list-style-type: none"> <li>• The Chief Financial Officer (CFO) spoke to the report.</li> <li>• He noted that the profit reflects a non cash asset vested in AT for State Highways which have been revoked by NZTA.</li> </ul>
9.	<p><b>Business Report</b></p> <p><b>CHIEF EXECUTIVE'S REPORT (David Warburton)</b></p> <ul style="list-style-type: none"> <li>• The CE spoke to the report.</li> <li>• He noted that two significant strategic reports will be coming to the February Board Meeting included one on HR and Personnel Strategy and one on ITP (Integrated Transport Programme).</li> <li>• He thanked staff for their work during the year and the Board for their support</li> <li>• RR advised that the report should note the presentation to Parliament's Select Committee on RTMA, presented by the CE.</li> </ul> <p><b>PEOPLE &amp; SERVICES (Simon Harvey)</b></p> <ul style="list-style-type: none"> <li>• The HR Manager spoke to the report.</li> <li>• Collective negotiations have been modified and do not include a MECA.</li> <li>• A parking incident last month has been followed up with Police, although the person concerned has left the address given the matter will still be pursued.</li> <li>• A ring fenced call centre location has been chosen as Hereford Street, which will allow a closer relationship between AT and Council as service provider.</li> <li>• HOP results are trending low due to call volumes impacting performance, it is now back into the 90% level.</li> <li>• In response to a question on volumes of calls for the go live of AIFS it was advised that it was expected more people would use on line services rather than phone. For the bus go live there will be more focus on directing customers to online services. The next phase of the rollout will also see a review of staffing levels to more effectively deal with demand.</li> </ul> <p><b>OPERATIONS (Greg Edmonds)</b></p> <ul style="list-style-type: none"> <li>• The Chief Operating Officer spoke to the report.</li> <li>• It was noted that the HOP Ferry Launch had a small uptake as expected.</li> <li>• Pier 1C has now opened and now has Half Moon Bay services operating from that Pier.</li> <li>• Evening Parking enforcement in the CBD is set to go and will start after Christmas.</li> <li>• A Travel Wise Rap has been produced into a DVD for schools. It was also noted a book on safety has been produced in 7 languages for pre-school.</li> <li>• The Grafton Bridge bus lane signage has been upgraded.</li> <li>• PT patronage growth initiatives have had some initial work done as part of a full report on this issue which will be presented at the February Board meeting.</li> <li>• In response to a question on the progress on the enforcement of Parking in City Parks GE advised there is no ability to enforce this at this time as Council has not approved AT enforcement.</li> </ul>

- In regards to road corridor access, Khyber Pass was coned off for minor works. A question was raised as to who makes the decision on traffic control and blocking roads. A Traffic Management Plan is reviewed when an application is made, which is reviewed by the RCA to ensure disruption is minimised. Fees are charged to provide an incentive not to restrict access for too long. It was asked whether the plans could be reviewed with a view to providing better access for businesses.
- In response to a question it was noted that there are no plans to change the size of parking spaces.
- ML noted he is concerned with trends within the statistics since March when rail patronage was beginning to flat line. He further noted that patronage is now showing a downward trend, which he feels need to be addressed by AT intervention in a decisive way. Travel is a commodity that AT should be seeking to sell. AT should examine price and quality as stated.

ML indicated that in his view AT's price was possibly too high. He also felt that quality and punctuality should be further examined as he felt it could be improved.. A new timetable was introduced but this has not as yet provided the expected anticipated increase in punctuality. Another interrelated problem is fare evasion, which has been raised in the past. It was expected the AT HOP card would reduce the evasion, but there is not yet evidence that this has happened. Patronage is the most important KPI for PT and AT is already behind on the SOI KPI target.

- The Chairman noted this is not a new problem and simply restating the problem will not solve it. In his view, the rail patronage had not effectively grown since October 2011 and overall public transport patronage has not really increased since January 2012. More understanding about the root causes of this is needed and must be addressed in management's comprehensive plan due to be present to the Board in February next year. The paper needs to address not only what will be done but most importantly how actions will be undertaken and why it is believed they will work. He re-emphasised that AT needs to be a customer led organisation which will require a mindset change within the organisation. Increasing public transport patronage needs to be elevated to the number one issue for AT.
- GE responded that the Operations team are aware of the issue and are working hard to identify the key drivers of the patronage reductions. However, the reality is that the system has been neglected for a number of years and the new technology being rolled out with HOP, electrification, new EMUs and new signalling will make a big difference, however, the pathway forward will not be simple and will take some time.
- A new structure is being introduced to improve the focus on individual services. Whilst it will take time to address the decline, work is being undertaken which includes workshops and customer research. It is expected that price, reliability and comfort will be shown to be the major factors. Sensitivity analysis and price elasticity will need to be tested.
- MW noted that the Northern bus way is a concern as it is not under construction. Like rail, more understanding of this service is required.
- The Chairman noted that AT does not have time to be patient. As there are a number of problems AT needs to be more innovative and we cannot take comfort from simply identifying multiple reasons to rationalise current performance.
- The Chairman indicated that it would be good to undertake spot verification of critical KPIs and that public transport patronage should in the future, be a report of its own and not included in the operations report. This should continue until the problem is resolved.
- CF asked about a safety review of the bus lanes and management will give consideration to this.
- CE noted that patronage was raised with the Council at the CCO performance meeting of Council last week.

#### **FINANCE (David Foster)**

- The Chief Financial Officer (CFO) spoke to the report.

### **INFRASTRUCTURE (Kevin Doherty)**

- The Chief Infrastructure Officer (CIO) spoke to the report.
- He covered the financial information and noted that the Infrastructure spend is slightly less than the forecast due to lower spending in the investigation and design area. He is still forecasting a higher than budget spend but the risk profile is now getting higher with the possibility of under spending capital increasing. He also spoke to timing variations in projects which are cash flow changes rather than cost or scope changes.
- Monthly trend analysis shows November was a high construction spend month, but spending still needs to accelerate. The property blip for the month of June is created by property acquisition which is dependent on completion of agreements.
- AMETI still on programme and moving positively. It is expected that the old bridge will be demolished with the Christmas close of the line.
- Glenfield Road widening project has now moved to construction phase where stabilisation work is underway.
- Taharoto Road will commence next year.
- Land purchase for the Glenbrook Road upgrade has been completed.

### **COMMUNICATIONS AND PUBLIC AFFAIRS (Wally Thomas)**

- The Corporate Manager Communications and Public Affairs spoke to the report.
- Continuing to work on significant roading projects and major events.
- Hosted visit by Minister of Transport and local MP to the AMETI site.
- Road safety campaigns also featured for the month.
- Work was undertaken to ensure a swift and coordinated response to the recent tornado.

### **KEY RELATIONSHIPS (Alan Howard-Smith)**

- Silverdale is likely to be a significant focus for the team.
- AMETI and SMART will be a focus in the New Year.

### **STRATEGY AND PLANNING (Don Munro)**

- A representative from Strategy & Planning spoke to the report.
- A discussion document for the Unitary Plan will be released in March 2013, which is a critical item to ensure AT is able to carry out essential operations.
- RPTP hearings are being organised for 2013.

### **SPECIAL PROJECTS (Claire Stewart)**

- The Corporate Manager Special Projects spoke to the report.
- Senior Project Manager from CAF is in NZ this week. A minor delay of 1 week has occurred with the design of the roof.
- CRL CCFAS was sent to Government and released on 13 December.

10.	<p><b>Additional Supporting</b></p> <p>i) <u>Rail Control Systems</u></p> <ul style="list-style-type: none"> <li>• Jim Quinn was invited to speak to the Board. This item was taken before item 7.</li> <li>• Noted CRL adds complexity and this will require a review of the control systems. He acknowledged NZ runs a small rail system. KRG have run a rigorous programme to improve control of systems to where they are now but will need a review as stated above.</li> </ul> <p><u>Questions</u></p> <ul style="list-style-type: none"> <li>• How do we ensure that people living in Wellington are aware of Auckland network issues when they are making decisions? In response - AT and Veolia advocate strongly for Auckland and KRG are really connected in Auckland and have a team which has been involved in the issues all the way through.</li> <li>• If there was dual tracking for Metro, would control remain the same? JQ advised that the control room would remain the same but other issues would arise quickly. Scarcity of resources in rail will lead to centralisation of control, but this may change in the future as networks change and skills rise.</li> <li>• The Train Control Centre operates 24/7 and has 12 desks in the control room.</li> <li>• In response to alternative solutions JQ advised he has pushed his team hard on this matter but nothing is uncomplicated in rail. Rail sits on the very conservative side with safety due to the stopping distances for trains.</li> <li>• In response to reliability of signal systems, JQ advised that some pockets of signals are fully updated, however, some of the new signals have had reliability problems. The system selected was world class. A lot of work has been done on old systems and some of the work has caused cables to break which has impacted on signals.</li> <li>• In relation to a standby system JQ noted that the need for back-up systems will be worked through with AT.</li> </ul> <p>ii) <u>Manukau Rail Link Request for Funding</u></p> <ul style="list-style-type: none"> <li>• GE spoke to the report. He noted that it is now critical for AT to double track the line and it was proposed to use the Depot contingency for funding the project. The paper noted the costs.</li> <li>• In response to a question it was clarified that this is not a connection to the South from Manukau.</li> <li>• ML noted that the complex junction at Newmarket was not completed with DART and this has impacted flexibility and resilience and has the effect that often trains heading west need to stop for 1 minute to use the other track at Newmarket. It was suggested that this should also be corrected - this will be investigated by management.</li> <li>• Concern was raised about the allocation of savings from one team to another team. Savings should be allocated to the highest priority project. This point was noted. The CE commented that the project has come from the capital team and the justification for the dual tracking was done a long time ago, so not much time was spent re-justifying the project. This point was noted.</li> <li>• ML pointed out that this was previously the responsibility of KRG. He also noted the increase in track access charges to KRG over recent years, and so some discussion with KRG should occur to meet part of this cost. GE advised that discussions did occur but that KRG have no budget for the project but will contribute the electrification of the line.</li> </ul> <p><u>Resolution:</u></p> <p><i>That the Board:</i></p> <ol style="list-style-type: none"> <li>i). <i>Receives the report</i></li> <li>ii). <i>Approves that provision of \$2.6 million be made within the 2012/13 AT capital programme for the MRL double track connection project to be funded from the EMU Depot project budget contingency</i></li> </ol>
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- iii). Approves that provision of the balance of \$1.0m to fund the MRL double track connection project be made within the 2013/14 AT capital programme
- iv). Requests AC to approve the inclusion of the MRL double track connection project within AT's capital programme
- v). AT to confirm to Kiwi Rail by mid-January 2013 that construction of the MRL double track connection can proceed
- vi). Requests NZTA to consider a funding contribution to projects necessary for delivery of a rail network capable of delivering robust and reliable 10 minute peak services.

(Chris Fletcher / Paul Lockey)

iii) Proposed Auckland Transport Election Signs Bylaw 2013 Consultation

- GE spoke to the report.
- RR asked in the bylaw part 4 revocation covers bylaws of all legacy Councils but Waitakere is not included, it was advised that the Waitakere Bylaw had expired.

Resolution:

*That the Board:*

- i). Receives the report
- ii). Approves the decision to follow the SCP process for the Election Signs Bylaw
- iii). Approves the commencement of public consultation on the attached Statement of Proposal and Draft Bylaws
- iv). Authorises the Chief Executive to make any minor edits or amendments to the Statement of proposal or Draft Bylaw prior to consultation to correct any identified error.

(Paul Lockey / Rabin Rabindran)

iv) Proposed Auckland Transport Public Safety and Nuisance Bylaw 2013

- GE spoke to the report. He noted that it is a consolidation of the bylaws of previous Councils. He noted a late change on page 210 Cl6.1.f to change "beg" to be "ask for money, food or other items for personal use".
- ML noted the Bylaw will be done in conjunction with AC. He expressed concern that a body which is modelled on a Commercial Board is making laws.
- The Bylaw will be put in place at the same time Council executes an identical Bylaw so that roads are on the same basis as other land.

Resolution:

*That the Board:*

- i). Receives the report
- ii). Approves the commencement of public consultation on the attached Statement of Proposal and draft AT Public Safety and Nuisance Bylaw
- iii). Authorises the Chief Executive to make any minor edits or amendments to the Statement of Proposal or draft bylaw prior to consultation to correct any identified errors or to maintain consistency with the proposed AC Bylaw.

(Chris Fletcher / Rabin Rabindran)

v) Independent Technical Ports Study Final Report

- The study is designed to understand growth of freight in future years. Findings indicate that freight will grow due to trans-shipment of goods. Growth is likely to occur more due to non-port traffic than by port-generated traffic.
- While access corridors will not come under as much pressure from port traffic but they will come under pressure from alternative uses.

	<ul style="list-style-type: none"> <li>• ML noted that freight is of major concern to AT. Noted that AT needs to engage with KRG on use of electric locomotives for freight in the urban area.</li> <li>• MW asked whether alternative solutions may be available. An US example in LA unloads to trains rather than to wharves.</li> <li>• PL advised that AT needs to be more proactive on what it wants for its network rather than being a passive receiver. The CE noted AT has been active with KRG on the matter.</li> </ul> <p><u>Resolution:</u></p> <p><i>That the Board:</i></p> <ul style="list-style-type: none"> <li><i>i). Receives the report</i></li> <li><i>ii). Notes the findings of the independent ports technical study by PricewaterhouseCoopers which has been sponsored by the Upper North Island Strategic Alliance (the Executive Summary is provided as Attachment 1)</i></li> <li><i>iii). Receives the final report of the Independent Ports Technical Study by PricewaterhouseCoopers provided as Attachment 2</i></li> <li><i>iv). Notes the Upper North Island seaports including the associated road rail and logistics network are vitally important to the current and future economic prosperity of the Upper North Island and New Zealand.</i></li> </ul> <p>(Rabin Rabindran / Mike Williams)</p>
11.	<p><b>General Business</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>
12.	<p><b>Closure and next Meeting</b></p> <ul style="list-style-type: none"> <li>• The meeting closed to the public at 10.56a.m.</li> <li>• Next Open Board Meeting 3.30pm Monday 25 February 2013.</li> </ul>