

Auckland Transport

Value for money review

Auckland Transport

March 2016

Executive Report

Strictly confidential



Strictly Confidential

Dr Lester Levy
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29 March 2016

Value for Money Review - Auckland Transport

Dear Lester

We are pleased to attach our draft report, which contains the results of our Value for Money review of Auckland Transport.

This report should be read in conjunction with our Letter of Engagement dated 29 July 2015 and the Restrictions in Appendix A.

We wish to acknowledge the excellent support that we have received from Auckland Transport's management, and Richard Morris in particular, in responding to our information requests, questions and organising interviews.

Yours sincerely

A handwritten signature in black ink, appearing to read 'CRice'.

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Executive report

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i. Context to the Value for Money Review

Background

Auckland Transport (AT) was established on 1 November 2010 to integrate the eight legacy Auckland Councils' transport operations into a single entity. Over the subsequent five years, AT has focussed on transition activities, delivering significant legacy projects and developing integrated transport strategies for the future.

During this period, AT has been confronted with a number of challenges, including:

- Migration from transition (from multiple legacy organisations) to transformation of both the organisation and the way it delivers services and projects
- Very high population growth in the Auckland region
- Significant increase in patronage on Public Transport (PT)
- Heightened expectations of enhanced levels of customer service
- Fundamental funding constraints.

In the context of the above matters, AT's Board believes it is an appropriate time to initiate an organisation-wide "value for money assessment". Although there is no common definition of "value for money", it has been agreed to address it by considering three key questions relating to efficiency, effectiveness and capability:

1. Efficiency - how well does AT spend money and assess value?
2. Effectiveness - how well does AT prioritise its spend?
3. Capability - how well resourced is AT to meet current and future demand?

These questions are consistent with the New Zealand Treasury value for money methodology which involves making the best use of resources available for the provision of services. For AT this means:

- It does things which maximise overall transport outcomes from services provided
- It uses inputs (eg staff and contractors) in a way that maximises outputs

- It pays no more than necessary for inputs.

Value for money in this context is an "end to end process", rather than an outcome in itself. In addition, because AT is managing very long term assets, the process components may change over time requiring a dynamic as opposed to static organisational response.

The relationships between the process components including inputs, outputs and outcomes according to this methodology are set out in Appendix B.

Establishment

AT was established under the provisions of Part 4 of the Local Government (Auckland Council) Act 2009 ("Auckland Council Act") as amended in 2010. It has responsibility for all of the local roading and public transport activities in Auckland which were formerly performed by territorial authorities and the Auckland Regional Transport Authority.

This includes the planning, development and management of all of the region's transport systems (excluding the state highways and railway corridors) – including roads and footpaths, cycling and walking infrastructure, parking facilities and public transport.

AT undertakes a wide range of activities associated with the planning, development and operation of the 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 and road safety activities.

AT is a statutory Council Controlled Organisation (CCO) owned by Auckland Council (the Council). It manages \$17b of the region's transport infrastructure and circa \$1b of annual expenditure across its operations.

Infrastructure assets¹ comprise:

- 7,560 km of local and arterial roads
- 1,245 bridges and culverts
- 6,956 km of footpaths
- 106,691 street lights
- 75 bus, wharf and rail stations
- 57 electric trains
- 13 multi-story carparks.

AT is required to take account of a range of policy and strategy documents in the process of making decisions on the allocation of funds to transport activities and is responsible for preparing the Regional Land Transport Plan (RLTP). The following documents act as key strategic drivers for AT:

- The Auckland Plan
- Council's Long Term Plan (LTP)
- Local Board Plans.

In addition, the Board of AT has developed a set of strategic themes to guide the organisation's execution of its functions and plans.



2010 readiness review

In 2010, prior to the establishment of Auckland Council and its CCOs, PwC was engaged by the Auckland Transition Agency (ATA) to review **the organisation's** readiness to operate on 1 November 2010. Our overall assessment in 2010 concluded there were three particular areas of risk:

- The logistics and time available to fill circa 1,000 staff roles
- The design of key business processes
- Lack of programme governance and appropriate resources to design, test and successfully implement an ERP solution to meet Day 1 business requirements.

Of these, two priority areas were identified as requiring additional resourcing prior to Day 1:

- Business process design
- ERP / IT design.

¹ Page 86, Auckland Transport Annual Report 2015

The review identified 20 areas of concern (refer Appendix C).

Findings still relevant in 2015

Subsequent assessment in 2015 indicates that the majority of these matters have been resolved as evidenced by a successful transition. The following areas remain relevant today:

- (i) **Staff expertise / potential loss of institutional knowledge:** Staff turnover is currently low at, but there is an ongoing need to ensure business continuity through retaining key capability and ensuring effective knowledge transfer from contractors and consultants. Of the factors most likely to result in a loss of key capability, diminished capital funding is the most significant.
- (ii) **Co-location:** AT has teams dispersed in more locations than necessary, which is not efficient or effective. AT is on the cusp of rationalising these dispersed locations and is currently completing negotiations in this regard.
- (iii) **Process design:** Business process templates and scope of documentation should be standardised, and an integrated end-to-end view developed for key transport processes.
- (iv) **Customer services:** A single set of agreed processes for customer requests should be developed.
- (v) **IT programme resourcing and governance:** In 2010 there were limited resources for the Transport ERP programme. Demand on current Business Technology (BT) activities has not relented with technology and digital advancements driving requirements across AT.

ii. Major changes since 2010

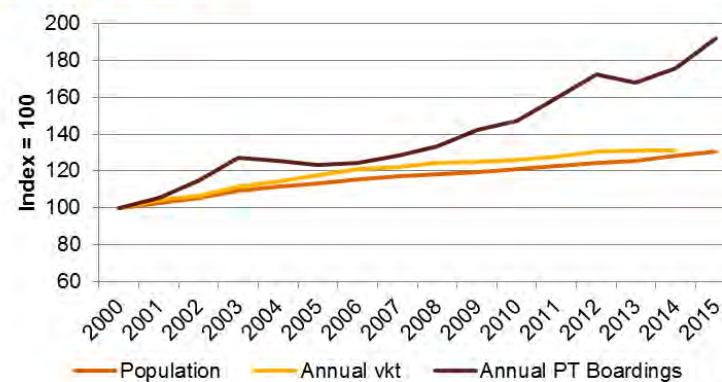
Since establishment in 2010, AT's operating environment has changed significantly. Prior to 2010, the Global Financial Crisis dominated the operating environment with much lower rates of growth than currently being experienced.

Since 2010 growth has been rapid, incorporating:

- An increase in metropolitan population of circa 127,000, the same size as the City of Dunedin with all the commensurate service requirements
- Annual airport arrivals increasing from 13.4 million in 2010 to 15.7 million in 2015
- Annual cruise ship visits increasing from 62 in 2010 to 115 in 2015, with passenger numbers increasing from 91,000 to 189,000 (source: Cruise New Zealand)
- Vehicle kilometres travelled (vkt) increasing between 2010 and 2014 by 482 million kms (source: NZ Transport Agency – the “Transport Agency”)
- Annual PT boardings increasing from 62 million to 80 million, representing an average weekly increase of 70,000 passengers across the five years.

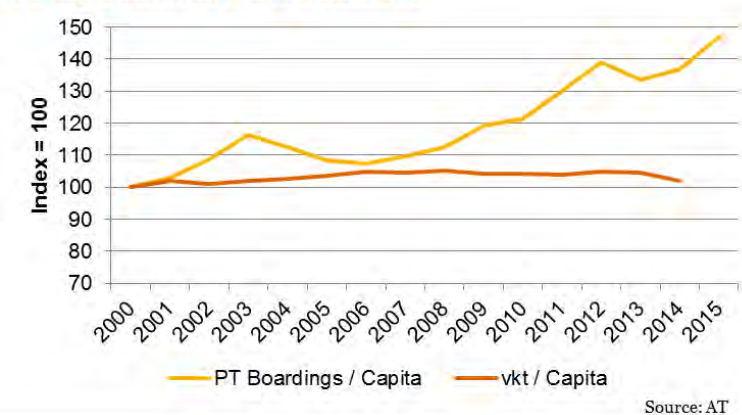
This growth has been exacerbated by the level of demand for PT service provision. The percentage increase in PT has far outstripped population change both in percentage terms and on a per capita basis, indicating facility improvement is having a positive effect beyond pure population growth.

Growth in Auckland



Source: AT

Per capita transport growth in Auckland



Underpinning this growth is a range of new customer products and business model changes which have or will improve service levels, capacity and frequency:

- HOP (travel pre-pay smart card)
- Electric multiple unit (EMU) implementation
- Centralisation of PT management and operations
- Passenger Transport Operating Model (PTOM) bus arrangements and ferry supplier structures
- Introduction of electric vehicles and proposed share scheme.

In parallel major change has occurred within the organisation. Initiatives having to be managed and implemented include:

- Absorption of harbour master functions
- City Rail Link (CRL) project
- Auckland Transport Operations Centre (ATOC), involving AT and NZTA
- Joint Modelling Application Centre (JMAC) involving AT, NZTA and Auckland Council
- Insourcing asset management planning
- Insourcing Business Technology professionals/outsourcing IT equipment

- City centre integration
- Developing the Integrated Transport Plan Prioritisation Tool
- Insourcing project management
- Consolidation of PT call centre transactions from operators
- Introduction of chip sealing as the standard for local roads city wide.

The scope, scale and value of these initiatives are very significant. For instance, AT HOP, which has now issued in excess of 800,000 cards, has been the fastest growing charge card in New Zealand.

Delivering successful in-house projects – AT HOP

The AT HOP, a reusable prepay smart card for travel on Auckland public transport, was introduced in 2012 following four years of preparation and rolled out in two years, with one of the fastest customer uptakes in Australasia.

Current card penetration is 78%, an increase of 10% on 2014. This compares to 70% for the comparable card in Sydney.

The project cost \$99.2m and the project implementation was driven by a team of 82 FTEs. This has now reduced to a business as usual 51 FTEs. This compares very favourably with Sydney and Melbourne. The former took 19 years for its Opal card, including preparation and at a cost of \$A1.2b. The Melbourne equivalent, the MYKI card, took six years at a cost of \$A494m and due to problems will be re-rendered in 2016.

A key benefit of the HOP card is time savings on passenger boardings of 2 to 3 seconds which, depending on the proportion of card usage, equates to tens of thousands of hours across 80 million passenger boardings. This has significant positive implications for on time PT services.

iii. Review objectives

AT funds its operations and capital projects from three main sources; third party revenue, and funding from Auckland Council and the Transport Agency.

Although AT has been able to operate within its available funding envelope, there has been no independent review to test whether resource allocation is well aligned to strategy and whether AT is operating efficiently and effectively. Developing an understanding of these matters forms the general objectives of this review.

Scope

The scope of this Value for Money Review includes:

- **All of AT's operations**, including operating results and budgets
- Comparative analysis of trends including actual expenditure and the high level budgets for FY16 to FY18
- Analysis of key cost and service drivers such as growth and customer expectations
- Consideration of benchmarks and performance measures **in terms of** “fit for purpose”
- Alignment of resources to strategy
- High level consideration of renewal/maintenance optimisation
- Opportunities for cost reduction and service improvement.

The scope excludes:

- Review of revenue
- Capital expenditure from an individual project value perspective
- Reviewing systems performance such as the financial management, personnel and asset management systems
- Procurement practices at the category analysis or spend by vendor level.

iv. Review approach

Our approach to undertaking this Value for Money Review has encompassed:

- **Meeting with the Board, key members of AT's staff and other relevant stakeholders** in order to gain an understanding of perceptions and evidence underpinning value for money views (refer to Appendix D for a list of interviewees)
- Analysing detailed financial and non-financial records and plans
- Reviewing available documentation and reports relating to expenditures and revenues including other effectiveness type reviews already completed
- Assessing the approach to costs, including commissioning new spend and capture of savings
- Assessing the key project, operational programme resourcing and other discretionary spend
- Obtaining future work programmes for key areas of the business to understand resource demands including:
 - public transport
 - roading
 - business technology
- Considering learnings from transport and other sector case studies that are able to be identified
- Undertaking benchmarking with other jurisdictions where available.

The assessment also required overlay of past, present and future performance lenses across the data and information analysed. In AT's case, five modules or areas of activity were identified, through which the review and report is structured:

1. Managing the organisation
2. Delivering services

3. Custodianship of the asset base
4. Planning for the future
5. Delivery of new assets.

v. Key findings

Managing the organisation

Value for money strategy

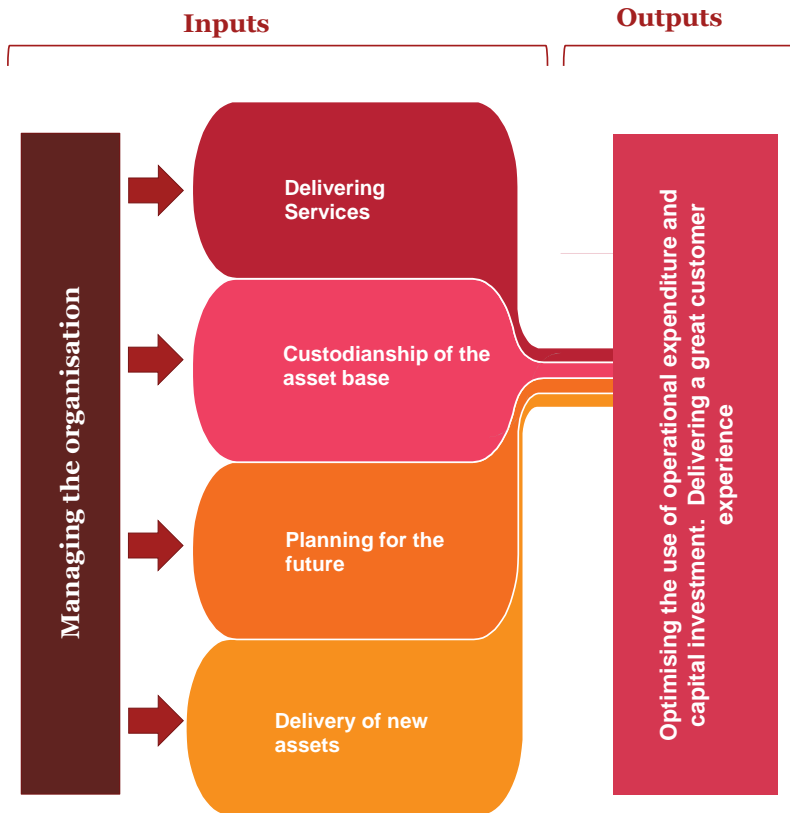
AT is guided by the outcomes sought by Auckland Council (the “Council”) and the Board’s organisational strategy. However, there is no explicit shared view of value for money and no common definition of value for money among decision makers. As a result:

- There are no value for money measures contained in past or present Statements of Intent (SoI) and inferences to value for money are inherent in funding sustainability
- The focus on transforming and elevating customer experiences, which is high on the Board's agenda, may lack alignment with value for money because the strategies have been developed in the absence of a shared view of value for money
- Understanding the 'cost to serve' and organisation value drivers is likely to be a lesser priority for an organisation dealing with rampant growth.

However, the absence of an explicit value for money framework does not mean AT lacks incentives to drive efficiency and effectiveness, and its significant funding constraint is a key driver. We note that the Board has implicitly captured value for money within the strategic themes through the sustainable funding strategy and the organisation has reached a level of maturity that provides a solid platform to lift performance further.

Governance

In addition to formal Board meetings, the Board also operates a supporting committee structure to enhance governance processes that is less formal than Board meetings, and incorporates greater participant interaction than that normally associated with local government committee procedures. This enables the Board in conjunction with management to have early and generative input into ideas and strategy before they are committed to formal decision-making processes. This approach allows the Board to challenge and shape ideas early, potentially leading to more effective outcomes than a more formal decision-making approach.

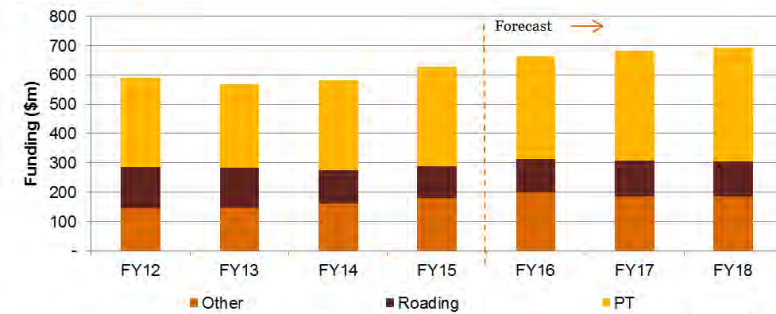


It also means that the organisation has had fewer high profile failures than might otherwise be the case despite operating high risk assets and services. Those few incidents identified during the review also largely relate to situations where accountability was not straightforward because it was shared with third parties.

Operating expenditure trends

Increases in operating expenditure (opex) during the initial five year transition period have been driven by expenditure on PT and this is forecast to continue. In this regard operating expenditure has been relatively contained compared to inflation within the five year transition. Between FY12 and FY15, total opex increase was restricted to 6.7% (from \$590m to \$629m). The key driver of cost growth has been the substantial increase in passengers requiring subsidy across all three PT modes with the most significant growth occurring in rail.

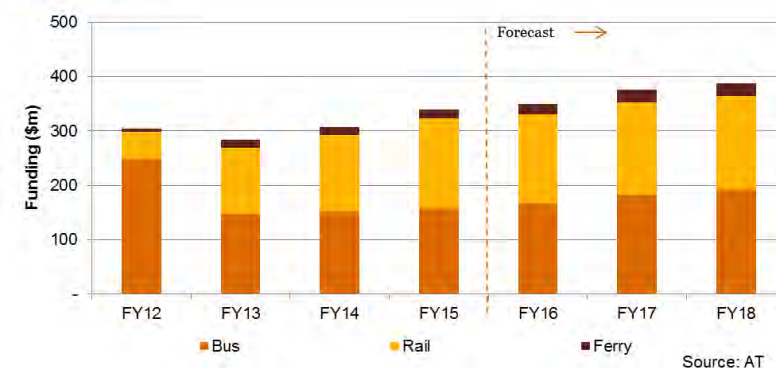
Opex breakdown



Note: Forecast PT expenditure excludes PTOM

Source: AT

PT opex breakdown



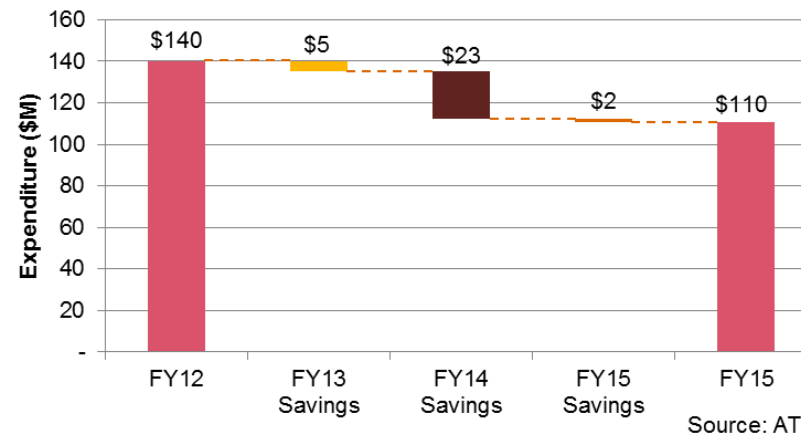
Note: Forecast PT expenditure excludes PTOM and incorporates consistent allocation from FY13.

Source: AT

This resulted in PT opex increasing by 11.9% over the same period. Comparison of these expenditures against the usage of the assets indicates that significant economies of scale have yet to be achieved. However, the electric multiple units (EMU) were only commissioned in the latter part of the period and required the old diesel units to operate in parallel, until 2015 when the service became exclusively EMU. In addition other major changes forecast through the new PTOM bus arrangements are early in the process of implementation and AT is still incurring significant holding costs pending the sale of diesel units in FY16. Once fully implemented, both initiatives are expected to generate efficiencies over time. The results advised from the first PTOM contract have reinforced this expectation.

Road expenditure shown below declined between FY12 and FY15 from \$140m to \$110m due to a range of efficiency initiatives including the adoption of chip seal for local roads, a less expensive alternative to hot mix. Analysis of the Asset Management Plans (AMPs) indicate that these changes are not leading to a decline in roading service levels.

Change in roading expenditure, FY12 - FY15



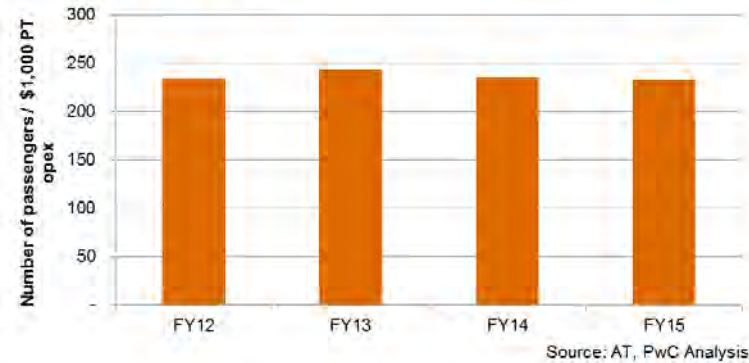
Source: AT

The "Other" category which includes footpaths, travel demand management and internal support, increased over the same period from \$146m to \$179m. Key drivers for the movement in this category are organisation related project expenditure, depreciation from technology investment, changes in organisational internal arrangements and growth in a number of internal departments including BT and Procurement. The forecasts anticipate expenditure will remain similar to FY15.

PT spend

Passenger turnover cost analysis confirms the relatively flat PT output trend.

Passengers per \$1,000 of PT opax



Increased PT spend has been offset by lower road costs as a result of various rationalisation and efficiency initiatives. The relationship between increased PT and reduced demand for road services is not yet clear, but over time with increased information (including HOP data and 'big data' analysis) more clarity should emerge.

Benchmarking operational performance

Traditionally, very little benchmarking data has been available for the transport sector, with consistency of performance measurement a key constraint. In the roading area, this is progressively being addressed through legislation and the national One Network Road Classification (ONRC) Project. Because the measures developed are not mandatory until FY16, there are currently limited comparators.

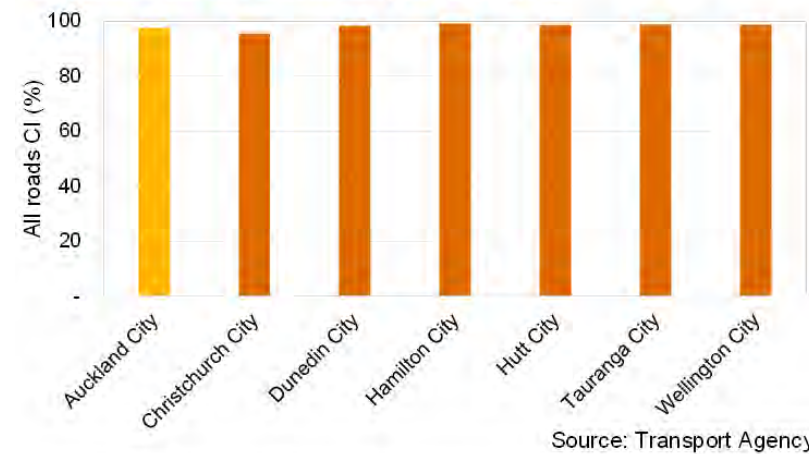
The following table sets out key measures that are able to be benchmarked, particularly with the Wellington and Christchurch City Councils. AT compares favourably or better in road condition, maintenance and footpaths. It also appears to perform better than Wellington in road safety when taking the length of network into account. Given Wellington is relatively constrained to metropolitan roads, this appears to be a favourable result.

Performance measure	Auckland Transport	Wellington City Council	Christchurch City Council	Tauranga City Council	Dunedin City Council
1. Road safety	Fatal = 26 Serious = 373	Fatal = 3 Serious = 57	Fatal = 3 Serious = 57	Fatal = 2 Serious = 38	Fatal = N/A Serious = N/A
2. Road condition	85% (for urban)	76%	71%	N/A	N/A
3. Road maintenance resurfacing p.a.	7.6%	10%	2%	4%	6%
4. Footpaths	99% in good condition	97% compliant	57% in good or better condition*	N/A	N/A
5. Response to service requests	85%	84% - 89%	96%	N/A	N/A

* This represents the share of footpaths that scored 1 or 2 out of 5 for condition.

These results are consistent with published Transport Agency road condition indices.

Condition index for Auckland City and peer group



Analysis of major Australian road authority performance highlighted similar comparability issues. **However, comparison with VicRoads' FY15 results indicated similar results in the area of customer response and pavement conditions.**

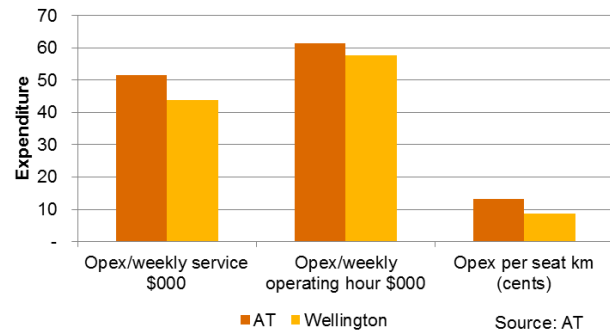
Benchmarking PT operations is even more complex than roading due to the level of service customisation across cities. However, recent concerns relating to the **level of cost and subsidy in Auckland compared to Wellington's commuter rail service** has led to a detailed investigation by an independent consultant².

² Paul Callow, Auckland Rail Cost Review, August 2015

The report concluded “the difference in costs is primarily due to the difference in the volume and nature of services provided in each city and that there is little material difference in the efficiency of their provision”. This conclusion was arrived at after adjusting for a number of factors including fleet, which in AT’s case due to the conversion to EMUs, required AT to operate diesel units in parallel.

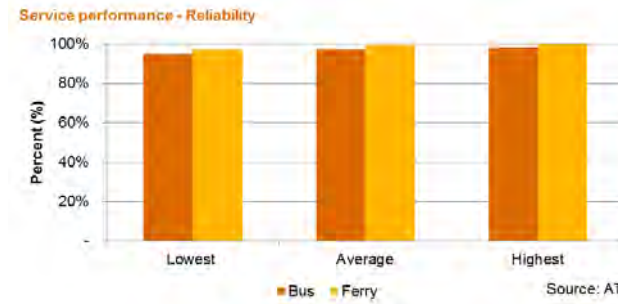
The overall conclusion was that AT’s costs were currently higher, being 7% up on Wellington’s costs per operating hour and 10% on a weekly operating expenditure basis, prior to the pending scale benefits referred to earlier. These current comparisons are shown in the following chart:

Efficiency measures



Bus operations have historically been subject to Transport Agency national benchmarking through the sharing of inter-regional cost data. However, the existing arrangements are subject to significant changes with the progressive implementation of the PTOM contractual model. It is intended that this benchmarking will continue in the future but requires the roll out of PTOM to occur before revised benchmark data can be made available. Initial results from the first PTOM tender recently in South Auckland are, accordingly to AT, extremely promising. AT have advised the tenders revealed real gains in value for money with a 15% service kilometre increase, a 21% service hour increase and a 15% net price (subsidy) reduction.

AT also benchmarks its bus and ferry operations for reliability and punctuality. FY15 data indicates that the operators are generally consistent in their performance, with only small variations around the average. This suggests that quality control is working across the operator groups. AT has advised current rail performance is also operating to these levels in FY16 following the EMU implementation.



Finally we would note, AT has met and is forecast to exceed, the original expectations of the ATA, which forecast funding per passenger km at \$0.33.

Savings and efficiencies

There are several examples of AT driving saving initiatives, some involving reinvestment such as insourcing staff to replace expensive outsource contracts. Examples include BT, legal and procurement, which appear in the following headcount chart. These savings and efficiencies are not underpinned by any centralised reporting or recording system. If they were the Board could transparently understand and confirm the redistribution of savings to the highest unfunded priority initiatives, an example of which is annual savings in roading expenditure.

Opex performance

Funding for new opex is constrained. AT has advised that Transport Agency funding is maximised in most subsidy categories. Council funding which represents one third of funding received, is also restricted to growth of approximately 3% per annum. Taking account of these restrictions in combination with the growth pressures, new activities undertaken since 2010 and a stable asset state, AT’s opex profile appears to have been well managed.

Staffing

Effective processes to manage staff performance have been progressively implemented since 2010 and metrics including low staff turnover and positive staff satisfaction indicate they are currently effective in responding to the retention of key skills, a risk identified by AT’s Board. Key matters highlighted by this review include:

- No residual or limited issues arising from the 2010 placement of staff from legacy organisations, and staff performance and wellness indicators

are positive on a benchmark basis. The positive culture that has developed is in part a result of the tone set by the Executive Team who are perceived to operate well as a team and are generally well regarded by stakeholders

- Staff numbers increasing substantially since 2010. This growth is mainly attributable to a combination of savings and new initiatives. Those insourcing increases relating to proposed savings are usually subject to budget cost benefit
- No overriding organisation-wide principles guiding insourcing and outsourcing decisions to supplement simple budget cost benefit assessment. This is an added consideration in the quality of current assessments

AT's headcount

Opening FTEs - Day 1		1,020
Inhouse capability		
BT	60	
Legal	8	
Design Studio	12	
Procurement	30	
Risk & Audit	5	
Property & Planning	15	
Road Corridor - tech services	13	143
Growth in Existing Functions		
Organisation wide	69	69
New functions		
City Rail Link	28	
HOP*	37	
Service Centres	58	
ATOC - from NZTA	39	
ATOC Central	10	
Harbour Master - from AC	14	
JMAC	6	192
Closing FTEs FY15		1,424

Source: AT

*BT (11) and Finance (3) also provide and additional 14 FTE.

- The shift from external provision has resulted in staff full time equivalents (FTEs) increasing from Day 1 by 39.6% and salaries by 53%. However, when overall people costs are factored in, including reductions to contractors and other external professional services, total gross people costs have only increased by 3.8%, well within the CPI increase over the same period
- Because insourcing is focussed on professional technical staff who typically command higher salaries, when combined with normal market adjustments it contributes to average salary growth of 6.6%. These combined changes are contained within the FY15 total people cost of \$245.7m and reflect a gross salary headcount average of \$77k compared to \$60k in FY12.

\$ m	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Salaries & Wages	77.0	88.7	100.5	117.7	129.8	127.8	126.9
Contract Staff	2.9	2.8	2.9	2.9	3.1	3.1	3.1
Contractors	99.7	99.4	83.3	80.9	89.5	92.9	91.4
Design Professional	2.7	2.9	1.6	1.1	0.2	0.7	0.7
Professional Service	54.3	51.4	47.1	43.0	62.6	50.5	49.0
Gross total	236.6	245.1	235.5	245.7	285.2	275.0	271.1
Capitalised Salaries & Wages	(14.5)	(24.8)	(30.6)	(30.8)	(39.1)	(36.6)	(35.5)
Net total	222.1	220.4	204.8	214.9	246.2	238.3	235.6

Source: AT

Accommodation

Current organisational accommodation is very inefficient, with 1,424 staff located across 25 locations on a wide geographic basis. Time lost due to travel between offices has been estimated at \$2m pa by AT. This does not take account of the system, process and logistics duplication. AT are in the process of finalising plans to address this issue.

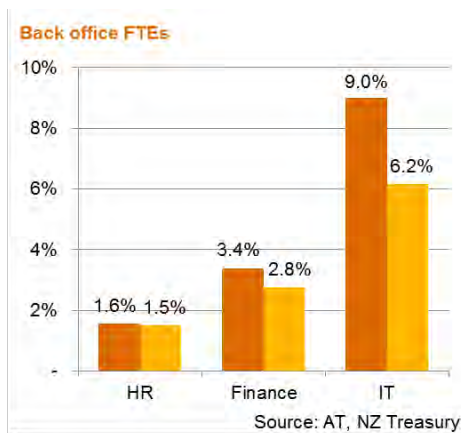
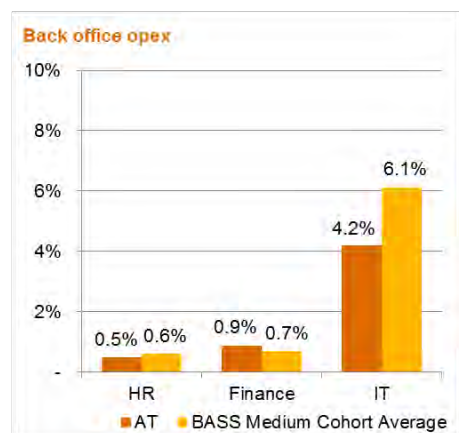
Back office performance

The Business Technology (BT) function has significant demand placed upon it and this is being exacerbated by digitisation and technology permeating every facet of the business. There are capacity issues and to date these have been managed favourably within benchmarked³ operating expenditures. Looking forward,

³ New Zealand Treasury Benchmarking Administration and Support Services

project prioritisation is a critical BT requirement particularly given the extensive demand for technologies and new organisational project demands.

The HR, Finance and BT functions set out in the following chart generally compare favourably to benchmarks. Both total cost per organisational FTE and total costs as a proportion of organisation costs are lower than benchmark. FTEs are higher but this is in part attributable to the explicit insourcing policy. At a granular level there are some disparities but many of these are related to the particular composition and requirements of these departments. Each department has pursued business improvement projects since 2010, and our review of their operations on the basis of these and other analysis, indicates they are operating effectively.

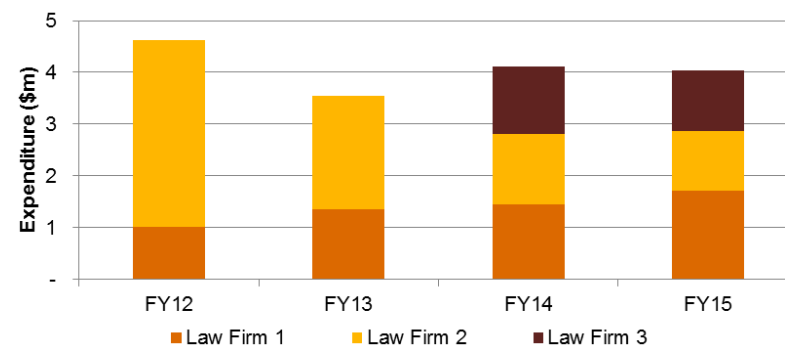


Legal services delivery

AT operates a composite internal/external legal service provision model. The internal service was established in 2011 and incorporates 9 FTEs, being a blend of legal, quasi legal and administration positions. Current staffing has been justified through high level cost benefit based on a combination of cost and better management practice.

Current salary cost is \$1m per annum, while AT's annual spend on external advisors is circa \$4m per annum. External spend is managed through a panel of three major law firms who operate under negotiated rate cards. Since FY12, external spend has been managed downward and is being held steady at approximately \$4m per annum.

Total AT expenditure on law firms



Note: Expenditure includes operating, capital and renewal capital expenditure Source: AT

AT's legal service arrangements are consistent with the approach recommended by the Auckland Transition Agency (ATA) in 2010. The current 20/80 expenditure split between internal and external legal provision is consistent with the legacy council average in 2010.

Moving forward, good practice would dictate there should be explicit principles in place to guide the operating model for legal services delivery.

Delivering services

Understanding the customer

While AT's customer approach and services have significantly developed from the standards inherited from the legacy councils, its understanding of customers and customer values is evolving, and is stronger in some areas than others.

Understanding the customer is complex due to the range of customer priorities across diverse services, some of which naturally conflict, such as the competing demands for road space.

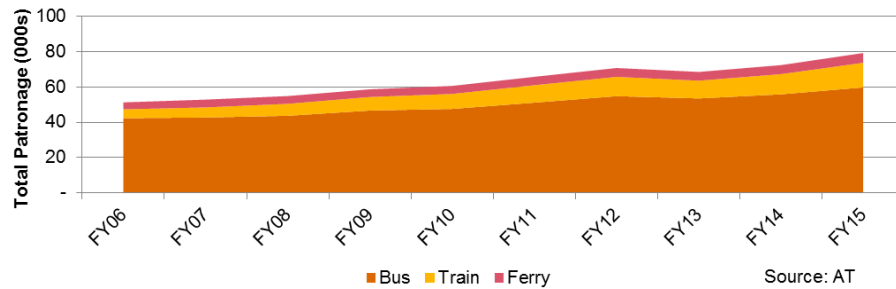
AT Metro, in particular, has an extensive understanding of the PT customer by mode. Although the emphasis on PT is appropriate given the weighting of strategic priorities, other activities would benefit from greater customer insight. This perceived weighting toward PT appears to be reflected in AT's strategic themes and the Board agenda. Review of other customer related material including reports and policy initiatives, support this view. A consistent understanding of the customer across all services would allow AT to provide better customer outcomes.

Service effectiveness

AT currently meets or exceeds the majority of the service performance measures set out in its annual report and Sol. These service measures are very focussed on PT rather than the broader range of activities. In addition there are opportunities to enhance the measurement framework through the implementation of commercial customer management techniques. **The “net promoter score” is an accepted approach which can act as a leading indicator of growth and driver of business performance.** We understand the Board is currently considering this as an option for the future.

AT has to service a very high growth rate of PT as evidenced by boardings and average kilometres travelled⁴. This is a source of cost pressure and comparisons of expenditures against asset utilisation indicate that significant economies of scale have yet to be achieved. The full implementation of EMUs and the bus PTOM reform initiatives from FY16 on, are expected to improve PT value for money and PT outcomes in the future.

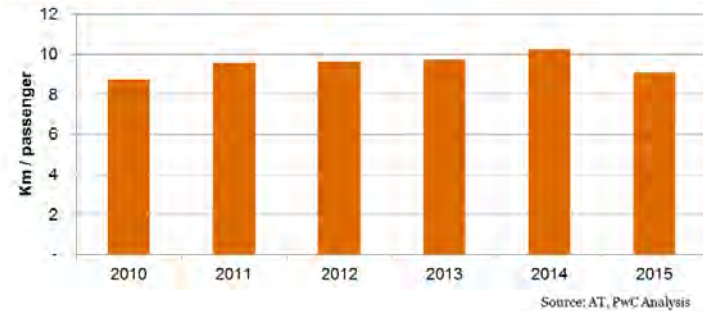
Annual PT boardings, by mode



At the time of our investigation, AT was well advanced in the PTOM procurement process for South Auckland bus services which represent 15% of the network. Requirements of tenderers in addition to service improvements included a range of other enhanced performance measures along with full transfer of revenue to AT compared to the current subsidy/operator revenue collection methodology. AT has subsequently advised the South Auckland PTOM procurement process has been completed and has met the tender specifications as well as achieving a net price (subsidy) reduction of 15%.

⁴ The fall in average PKMs per passenger in 2015 was due to the rebasing of data

Average PKMs per passenger



AT's delivery of its services and projects is subject to multiple stakeholder consultation and approval processes. These are complex and often require consent or endorsement from several bodies including Council, Local Boards, Transport Agency, Kiwi Rail and the Crown. This structural fragmentation cannot be resolved by AT and there will be inefficiencies across these processes until some form of restructure occurs.

Stakeholder relationship management is also required across multiple tiers of AT including governance, senior and middle management. Feedback from our interviews highlighted relationship management could be improved through extension of collaborative forums and initiatives to resolve joint issues.

AT's road safety initiatives, according to long term trends, are having a positive impact on road safety metrics. All road safety initiatives are subject to cost benefit ratios. These justify the level of spend and the costs averted through injury and accident reduction have been estimated as high on a societal measurement basis.

AT has recently implemented parking fee changes aligned with the overall transport strategy of encouraging a modal shift from private motor vehicle to PT. This change, which was unable to be implemented by the legacy Councils, appears to be effective in changing the emphasis from inexpensive all day parking, and to date has not resulted in reduced revenue.

Procurement of goods and services

The Procurement unit has recently been subject to significant change which will enable the function to take a more prominent role across the supply chain. This change has included replacement of external resource with internal resource, which has generated initial savings. The function does not however, have targets in place to track the potential value it can deliver. Without a benefit tracking

system it will be hard to determine whether procurement is successful in the long term.

Major strategic procurement for projects such as the EMUs and City Rail Link (CRL) are structured with dedicated specialist staff. This enables an informed **approach to be developed on a case by case basis with “smart buyers”**. The Auditor General has recently endorsed the use of this approach for the Auckland Manukau Eastern Interchange (AMETI) Project.

Changes to procurement as a result of the rationalisation post 2010 and other legislative reform relating to public transport, has created some issues for legacy suppliers and supplier arrangements. This appears to be a consequence of changes affecting all Auckland local government suppliers stemming from rationalisation of supply arrangements from eight councils consolidating into one.

Feedback from key suppliers reinforced a number of these points. Suppliers also indicated that AT had made good progress generally with its procurement activities but there were opportunities to further improve. It was highlighted that many of these opportunities were already being executed in major projects, but the practices need to filter down to small and medium sized procurement.

Commercialisation opportunities

A review of a number of initiatives across the organisation indicates a willingness to pursue feasible revenue opportunities.

However, AT does not always fully commercialise its opportunities. This does not necessarily reflect on the organisation's effectiveness, rather the political nature of AT and its responsibilities to Council as owner. Some resulting opportunities foregone such as recovering the full cost of the HOP cards, seem reasonable from a pricing perspective when compared to benchmarks in the following table. We note that the AT Board has recently increased the card price to \$10, from 17 December 2015.

City	Cost of travel card
Auckland – HOP Card	\$5 one off charge
London – Oyster Card	£5 – refundable deposit
Sydney – Opal Card	No charge
Melbourne – Myki	A\$6 one off charge
Wellington – Snapper	\$10 one off charge
SE Queensland – Go Card	A\$10 - refundable deposit
Vancouver – Compass Card	C\$6 - refundable deposit

Feedback from stakeholders has also indicated there are opportunities to extend the more commercial approach being applied by AT to signature projects such as CRL to the wider development environment. In addition, there are opportunities to work with Council both as a joint developer and facilitator of private development through better joined up processes.

Custodianship of the asset base

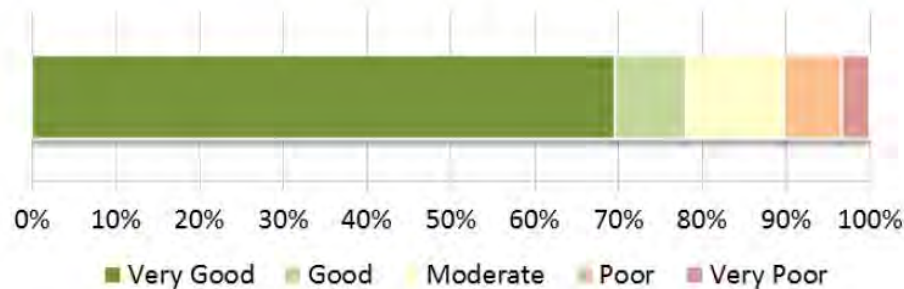
Asset management practice and profile

Custodianship of the asset base has been assessed through the asset management planning process. The underlying AMPs have been reviewed independently and are rated by Audit NZ and Council as being of a good standard and provide value for money. These reviews did not raise any significant issues and also noted that AT was adopting good local government sector practice.

By way of example the condition profile rating in the 2015 AMPs for pavement surfaces and underlying base, indicated the majority of the asset was in a reasonable to good state.

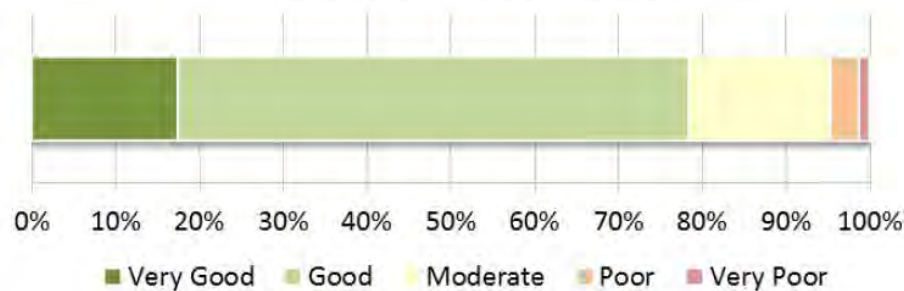
Condition profile

Pavements: Pavement surface (m2) (All)



Data source: RAMM (October 2014)

Pavements: Pavement base (m2) (All)



Data source: RAMM (October 2014)

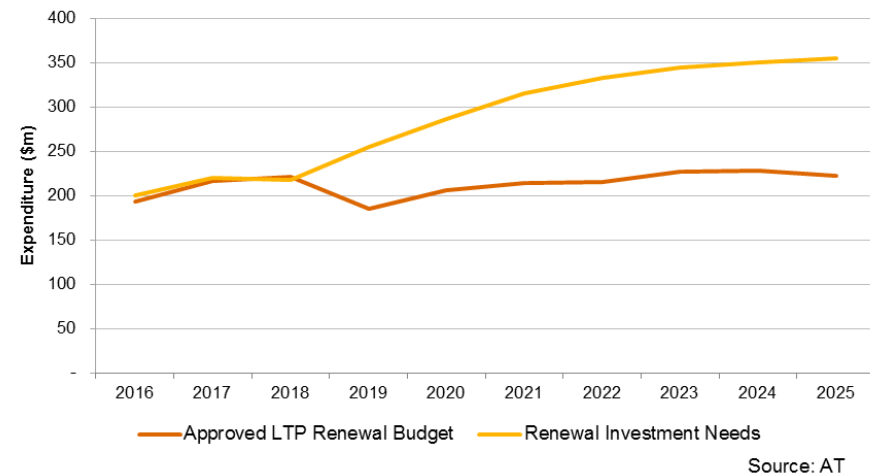
Data collection is comprehensive, but the process through which multiple parties provide input such as contractors with maintenance data is prone to variable quality issues.

However, recording issues of asset attributes within some of the base data, and lack of maintenance recorded, does not currently appear to unduly affect the quality of the expenditure programme.

Renewals funding outlook

Maintenance and renewal funding through to 2018 is set to maintain renewals at the assessed level to maintain the functionality of the asset. Beyond that date, the funding gap between budgeted and recommended spend widens considerably through to 2025. This will require further work and understanding over the next three years to ensure the following long term plan (LTP) period can address the renewal funding gap.

Renewal funding gap (All assets)



Transport property management

AT's property function was established in 2010 on the basis of a substantial transport related property portfolio valued at \$7.6b, requiring maintenance and development to support an effective and efficient transport system. The property portfolio contains a broad range of assets, comprising:

- Land sitting under roading and PT assets
- Built facilities, including train stations and wharves
- Transitional property held for the purpose of future projects

- Carparks, buildings and open space
- Corporate accommodation.

This portfolio requires significant asset lifecycle management, from acquisitions through ongoing operational management to disposal. Since 2010 and including initial amalgamation from legacy Council operations, the function has gone through three major reorganisations. In addition there have been many minor refinements.

Property financials

The Property and Planning unit's net operating expenditure has varied significantly due to the substantial changes since 2010. The net operating expenditure profile is showing a positive downward trend. This is largely a result of costs being capitalised, which is appropriate given the unit's focus on projects. The analysis of people costs which follows provides a better overall picture of gross expenditure movements, including the reduction in professional service costs as a result of insourcing.

Looking forward it will be essential for the unit to appropriately balance internal and external service provision.

\$000 nominal	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Gross salaries & wages	1,854	1,638	2,567	4,438	4,361	3,964	3,888
Contract Staff	(45)	8	8	37	19	19	19
Contractors	133	351	357	18	39	39	39
Design Professional	2	-	-	-	-	-	-
Professional Service	1,247	283	217	402	258	258	258
Gross people costs	3,192	2,281	3,149	4,895	4,675	4,279	4,203
Capitalised salaries & wages	(328)	(1,010)	(2,983)	(4,160)	(4,250)	(3,845)	(3,788)
Net salaries & wages	2,864	1,271	166	734	426	434	415

Source: AT

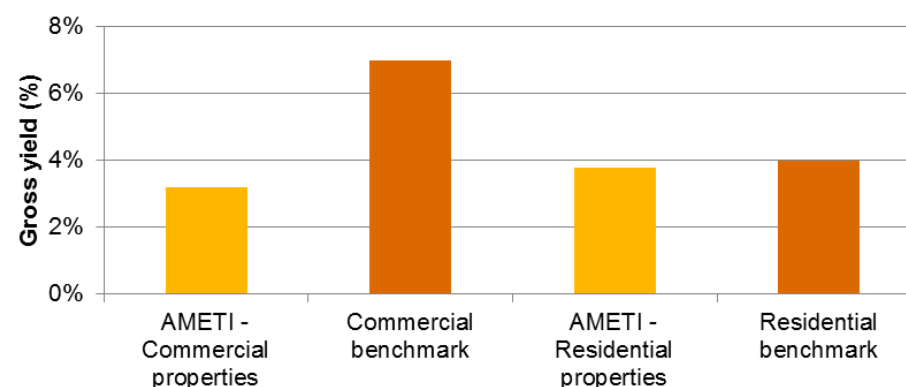
The team is now responsible for annual revenues of \$11m. A significant proportion of the revenue relates to property held for future projects. Accordingly the revenue will exhibit ongoing volatility and has been targeted as an area of opportunity to maximise commercial outcomes.

We have compared the current returns to market benchmarks, which show the magnitude of the opportunity, particularly for the commercial property assets.

However, we would note the current yield gap is accentuated by the restrictions placed on the provision of long term leases to the market during the construction phase.

AMETI property – gross yields

Gross yield on AMETI property compared to industry benchmark



Source: AMETI property portfolio management status report September 2014

Strategic direction

The inception of major projects, particularly CRL, has highlighted the need for an in-house planning resource whose prime responsibility would be to drive the resource consenting process. This project also reinforced the critical linkage between planning and property activities. The CRL planning activity has subsequently been incorporated into the latest iteration of the unit's organisation change, providing the platform for effective property lifecycle management.

Given the current AT land acquisition programme which totals \$0.5b between FY15 and FY17, the revision of arrangements in this area is timely.

Taking account of these changes, the Property and Planning Unit will also need to consider:

- How it reports and captures value as it moves towards a steady state
- How it can enhance the facilities management of core transport properties, eg train stations, given it is an opportunity requiring a more integrated operational approach in the future.

Planning for the future

Structural framework

The 2010 reforms that led to the formation of AT significantly rationalised the planning and service framework for transport in Auckland. There are still opportunities for further enhancements or reform between AT, Council, Transport Agency and Kiwi Rail Group (KRG).

Current roles are set out in the following table:

User type		Rail	Mode Local roads	State highways
Freight / commercial	Provider:	KRG	AT	Transport Agency
	Funder:	<i>Crown & user charges</i>	<i>AC and Transport Agency</i>	<i>Transport Agency</i>
Public transport	Provider:	AT	AT	AT
	Funder:	<i>Crown, AC, Transport Agency and fares</i>	<i>AC, Transport Agency and fares</i>	<i>AC, Transport Agency and fares</i>
Private transport	Provider:	-	AT	Transport Agency
	Funder:	-	<i>AC, Transport Agency, users</i>	<i>Transport Agency, users</i>

Effective planning

AT is a critical player in both transport and land use planning in the region. In this regard AT provides leadership and support for many initiatives such as central city integration and special housing areas.

Due to the legislative framework and the fact these two elements of transport and land use are heavily intertwined, there is a strong planning framework in place, underpinned by substantial data modelling and forecasting.

The forecasting work undertaken by AT's Strategy and Planning Division has proved to be accurate over time and provides a reliable and effective base for AT and Council to advise government.

The Strategy and Planning Division has undertaken a number of initiatives to further streamline and create efficiencies in the way the function is undertaken. These include various joint venture initiatives with key partners including Council and Transport Agency in a range of activities including combined modelling and forecasting. This includes the collaborative development of the Integrated Transport Programme (ITP) which captures the 30 year investment programme to meet transport priorities outlined in the Auckland Plan.

In this regard, AT has a significant future capex funding gap, with many more projects than can currently be funded. To ensure available spend is effective, AT has developed a sophisticated project prioritisation tool that considers strategic fit, efficiency and effectiveness in order that approved projects address the highest priorities. This tool is highly regarded and believed to be of international standard both within the organisation and in other jurisdictions.

From a planning perspective, AT is keeping abreast of the rapid development of technology and has plans in place to seek some of the benefits arising. To date the organisation has successfully implemented a pre-pay PT card and a number of other customer digital enhancements. In addition, BT is currently planning a number of other initiatives including Cloud-based technologies that are expected to further improve AT's effectiveness.

Delivery of new assets

Business case effectiveness

A key factor in the effective delivery of new assets is the development of robust and accurate business cases to ensure projects have sound rationale and costing that can be used to compare benefits and relative priorities. AT inherited a range of planning practices from the legacy organisations and it has taken nearly five years for it to rationalise and adopt common management good practice, as evidenced by the launch of the project management framework. The implementation of this framework is work in progress and requires organisation wide inculcation and adherence before it will be fully effective.

Due to their size and strategic importance, major projects are subject to a greater degree of rigour. Each of these projects, in addition to requiring extensive business cases, has to pass through multiple gates, not only within AT but the

other funders, primarily Council and Transport Agency. The quality of these cases as a result is generally higher than the smaller to medium sized projects.

Some of the planning processes inherited have subsequently led to issues including consequential opex demands which have to be funded within the constrained operating budget envelopes. There is heightened awareness across the organisation of these issues, and new business cases for major projects incorporate whole of life costs as a matter of course.

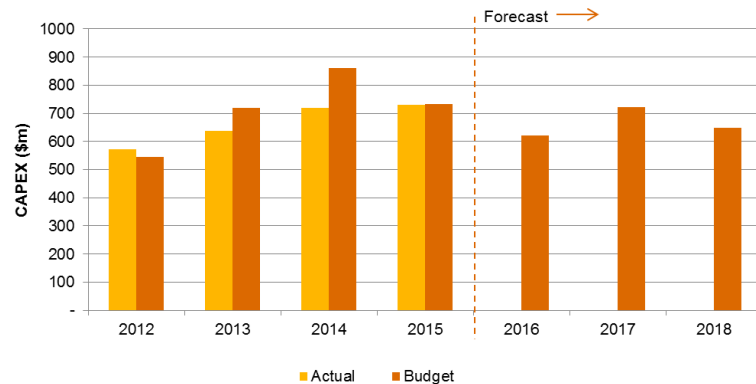
Project benefit realisation

Post project benefit realisation processes were raised by several interviewees and implementation does appear to have been patchy, particularly with legacy and smaller projects. Some mitigating factors highlighted include projects not yet fully executed at period end or where projects are only part of a wider programme. Benefits in both instances cannot be realised until complete execution occurs, with AMETI being highlighted as an example of the latter.

Capital delivery effectiveness

AT does not suffer from annual capital underspend issues which is a systemic issue across the local government and infrastructure sector. However, it needs to refine the consistently high spend in the latter months of the financial year. Although this expenditure pattern contributes to an overall successful expenditure outcome from the perspective of spending approved budgets, it indicates that planning effectiveness and procurement efficiency can be improved.

Capital expenditure actual versus budget



Capex includes core new capex, renewal capex and ring fenced. Vested assets are excluded.

Source: AT

Major project offices

Establishment of project offices for major strategic projects is appropriate and generally accepted to be good practice internationally. The separate project offices established, including the current CRL operation, require a number of key disciplines to support good governance, including robust business planning, specialist procurement and technical expertise. To date, delivery of strategic projects as evidenced by the EMU and HOP implementations, has been effective.

Auckland passenger rail electrification project

The completion of the \$1.5b Electric Multiple Unit (EMU) rail project in 2016 will herald the successful completion of a seven year project. It was originally commenced through the legacy Auckland Regional Council in 2009. Following the awarding of the contract in late 2011, the project has successfully delivered:

- 57 modern EMUs currently in operation
- A purpose built maintenance facility
- 90 kms of electrified network
- Station upgrades
- Track and signal upgrades.

AT has confirmed the key elements to the successful implementation include:

- Governance and executive commitment
- An embedded project team with strong project control discipline
- Performance based contracts
- Effective stakeholder management
- Adoption of European standards.

vi. Value for money conclusions

From an overall perspective we have considered Value for Money (VfM) by considering three key questions:

1. How well does AT spend money and assess value?
2. How well does AT prioritise its spend?
3. How well resourced is AT to meet current and future demand?

How well does AT spend money and assess value?

AT is assessed positively against the spend component of this question because:

- Opex trends are favourable
- Capex is substantially delivered and on time
- Back office benchmarks are favourable
- Strategic projects (eg EMU/HOP) have been successfully delivered
- Independent AMP reviews are positive
- For areas that are proving ineffective, ie establishment and subsequent disestablishment of the dedicated customer services function, remediations have been implemented
- The organisation is not considered to be profligate by stakeholders
- AT scores well against its non-financial performance indicators
- Major project procurement follows good practice
- AT is undertaking and executing more activities within a relatively constrained financial envelope.

In terms of assessing value the picture is more mixed:

- Benefits assessment, capture and reporting is not strong and could be improved
- Reutilisation of benefits (savings) captured in expenditure programmes could be more transparent

- There are no overriding organisation principles that can be applied consistently to insourcing /outsourcing decision-making
- Customer measurement and understanding could be improved through **the utilisation of tools such as the “net promoter score”**
- The programme management framework is relatively new and yet to be embedded
- The centralised procurement and integrated property/planning functions are relatively new and contain a number of opportunities to improve value further.

How well does AT prioritise its spend?

AT has developed multiple effective prioritisation mechanisms covering most of its spend. These include:

- Capital works modelling
- Renewals and maintenance through the AMP process
- BT prioritisation tool for organisational improvements
- Multiple gate approval requirements
- Strong emphasis on business case production.

Generally the approach to new large projects such as CRL is robust, but there is still room for improvement in the small to medium sized projects particularly around the quality of business cases and asset data. In addition, while there are a number of good prioritisation models and tools in place, they are generally applied in siloed expenditure areas. The challenge is to ensure the priorities across the organisation are optimal from a strategic perspective, and are supported by good data and analytics.

Reporting on the capture of efficiency gains and their reallocation is also considered to be a gap.

How well resourced is AT to meet current and future demand?

From a leadership and people perspective AT has a number of positive attributes:

- A stable, collaborative and effective senior leadership team
- Positive staff satisfaction results
- Low staff turnover
- An established HR framework to manage performance
- A staff insourcing programme which is expanding the capability and capacity of the organisation
- Flexibility to adapt. The evolution of the separate CRL office is a case in point.

Improvements identified include:

- Maximising operation of internal resources, planned corporate accommodation rationalisation should be expedited
- Providing more explicit objectives and targets for insourced areas of the business to maximise resource usage.

vii. Recommendations

Based on the review findings, business improvement opportunities have been identified in each of the five modules. Within these recommendations and taking **account of the following “Transformation change” section, we are of the view that** there are five key priorities:

- Understanding the customer
- Reconsidering what transformation means
- Working together better within the Council family and with stakeholders
- Revisiting future structural improvements with other key transport agencies eg KRG, Transport Agency
- Addressing funding constraints.

Managing the organisation

- Develop an agreed value for money approach and plan, integrated into the strategic framework
- Build a greater understanding of the relationship between assets and their costs and revenues
- Establish a centralised reporting process for capture and monitoring of savings and efficiencies and new expenditure
- Construct organisation-wide insourcing/outsourcing principles based on sector best practice
- Refine the linkage between capital project IT requirements and BT.

Delivering services

- **Revisit the concept of “customer” across activities to better understand** the linkages and interrelationships in order that better overall customer value is delivered, eg the relationship between PT fares and petrol prices
- Review KPIs to see whether they should be more inclusive of **road “users”** to better reflect non PT activity

- Continue to work with key stakeholder partners to improve overall quality of KPIs and benchmarks and implement a rolling programme of periodic reviews
- **Assess the applicability of the “net promoter score” tool to drive organisation business performance**
- Closely monitor the introduction of PTOM and seek to reforecast as benefits are identified
- Develop a savings plan and associated road map to implement Procurement savings initiatives
- Consider how the commercial approaches being taken in signature projects could be applied more broadly
- Work with Council to develop improved processes for development applicants including AT.

Custodianship of the asset base

- Finalise the programme to resolve asset attribute and other asset quality assurance issues, including recording of maintenance
- Consider solutions for the projected gap in renewal funding.

Planning for the future

- Pursue rationalisation, collaboration and working integration improvement opportunities amongst the various regional and national transport stakeholders
- Build stronger internal linkages with BT to better understand the future technology opportunities and requirements.

Delivery of new assets

- Drive the implementation of the new programme management framework to enhance business standards
- Develop more explicit assessment and reporting of project benefits
- **Investigate year end capex expenditure “spikes” to remedy and smooth the expenditure profiles.**

Transformational change

Our Value for Money conclusions reflect an organisation that is now well established, is performing effectively in most areas, but has the opportunity to improve further.

We have made several recommendations for business improvement. The next step for the Board is to confirm not only the priorities for change, but also consider the question of transformational change.

Although there is a continuum of options available, executing an integrated programme would be a useful first step to provide a greater opportunity to transform organisation performance compared to an incremental, long term approach.

Incremental improvement  Transformational improvement

Minor VfM gain  Major VfM gain

However, to make major VfM gains the Board should consider the “macro” performance of the transport system relative to global comparative cities rather than in absolute terms as contemplated in the current ITP document. The basis for integrated “macro” performance comparisons and by deduction, the means to achieve transformational performance, is readily available through the Council’s existing participation in various international city forums and studies.

In this regard, Auckland’s performance was subject to PwC’s “Cities of Opportunity” research methodology in 2012 and 2015. Both studies highlighted the city has strengths in areas such as liveability, environment, ease of doing business and safety compared to international benchmark cities which ranged from London to Rio de Janeiro.

However, three key areas of weakness prevent Auckland from being ranked as a truly competitive global city:

1. Economic clout
2. City gateway and visitation
3. Transport and infrastructure

Weaknesses 1 and 2 are strongly correlated to Auckland’s remoteness and economic size and are therefore difficult to address. However the standard and

quality of transport and infrastructure can be addressed. Current intercity results against underlying transport measures highlight there is work to be done.

- The time lag between major project inception and delivery could be improved although it is currently accentuated by high city growth levels
- **Auckland is unlikely to improve its relative position and the city's competitiveness unless both known and yet to be identified improvement programmes can be brought forward and expedited more rapidly.**

If AT wished to effectively pursue transformational change, the speed, size, composition and feasibility of the long term transport programme set out in the current ITP would need to be reassessed. Determining what would be required to **shift Auckland's performance into the upper quartile in each of the four key transport variables**, would in our view result in successful transformation roadmap. One of the requirements will be enhanced funding independent of source.

PwC Cities of Opportunity – Transport Metrics*								
City Rank- ing	PT System**		Mass Transit Coverage		Cost of PT		Congestion	
	2012	2015	2012	2015	2012	2015	2012	2015
1.	Toronto	Toronto	Paris	Paris	Kuala Lumpur	Jakarta	Stockholm	Singapore
11.							Auckland	
12.								Auckland
19.	Auckland							
21.		Auckland						
26.			Auckland					
28.				Auckland	Auckland			
31.						Auckland		

* 2012 study incorporated 28 cities, 2015 incorporated 31 cities

** Efficiency, reliability, safety and multi-modal options

Transformation in this context would require Auckland to move into the upper quartile of these metrics. Building incrementally on what the organisation has achieved to date and becoming more efficient will assist, but will not create the quantum change required.

AT, in conjunction with key strategic partners including Council and Transport Agency, appears to have through its programmed, planned and unfunded priorities the right ingredients to transform the activity. These priorities include CRL, Waterview Tunnel, PTOM, light rail and CBD to Airport.

However, the lack of progress as measured by city rankings between 2012 and 2015 indicate:

- Comparative cities have their own transport improvement programmes, meaning performance comparisons are continuously evolving

Glossary

Abbreviation	Definition
ACPL	Auckland Council Property Limited
AMETI	Auckland Manukau Eastern Transport Initiative
AMPs	Asset Management Plans
ATA	Auckland Transition Agency
ATAP	Auckland Transport Alignment Project
b	Billions
BT	Business Technology
CRL	City Rail Link
EMUs	Electric Multiple Units
GFC	Global Financial Crisis
IT	Information Technology
ITP	Integrated Transport Programme
JMAC	Joint Modelling Application Centre
m	Millions
MIP	Minor Improvements Programme
PDA	Panuku Development Auckland
PKMs	Passenger Kilometres
PT	Public Transport
PTOM	Public Transport Operating Model

Abbreviation	Definition
QA	Quality Assurance
RAMM	Road Assessment and Maintenance Management
VfM	Value for Money
vkt	Vehicle kilometres travelled

Appendix A - Restrictions

This report has been prepared for AT and solely for the purposes stated herein and should not be relied upon for any other purpose. This report is strictly confidential and (save to the extent required by applicable law and/or regulation) must not be released to any third party without our express written consent which is at our sole discretion.

To the fullest extent permitted by law, PwC accepts no duty of care to any third party in connection with the provision of this report and/or any related information or **explanation (together, the “Information”). Accordingly, regardless of the form of action, whether in contract, tort (including without limitation, negligence) or otherwise**, and to the extent permitted by applicable law, PwC accepts no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the Information.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise. The statements and opinions expressed in this report are based on information available as at the date of the report.

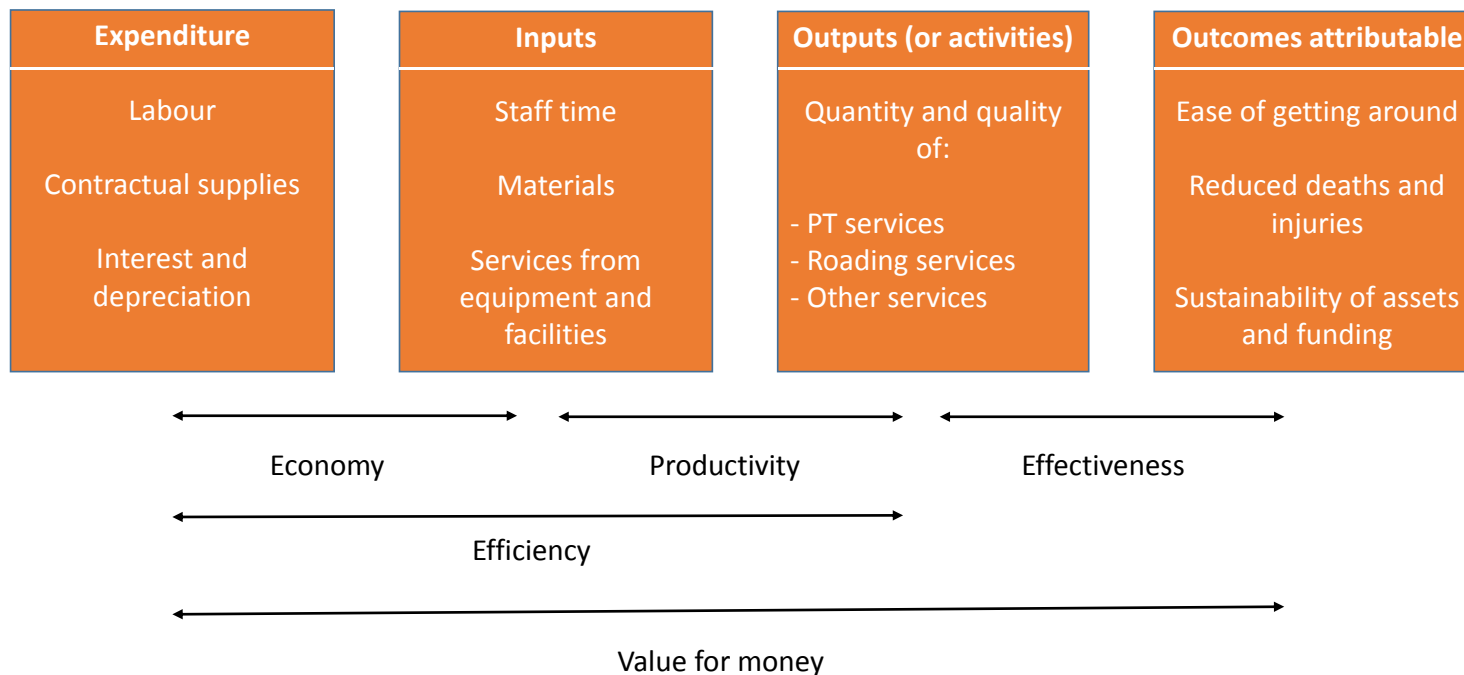
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This report is not to be copied or released to any other party, or referred to in any public forum, without our prior written consent for each party/purpose requesting its release.

This report is issued pursuant to the terms and conditions of our terms of engagement with AT dated 29 July 2015.

Appendix B – Components of Value for Money

Based on Treasury methodology, the relationships between expenditure, inputs, outputs and outcomes is defined by the following framework populated with transport examples.



Expenditure - purchases inputs. 'Economy' is about acquiring inputs of the necessary quality at the lowest price.

Inputs - produce outputs. 'Productivity' (the ratio of inputs to outputs) is concerned with producing the maximum output for any given set of inputs.

Outputs - produce outcomes. Effectiveness is about the extent to which outputs create the outcomes desired.

Efficiency - ratio of outputs to expenditure (ie encompassing both productivity and economy).

Appendix C - 2010 Readiness review – key areas of concern

1. No interim chief executive in place
2. No communications plan has been developed
3. Unlikely to be co-located at day 1
4. Lack of contractor management
5. 2011 / 2012 business planning requirements not being addressed
6. Programme resourcing is severely constrained
7. Scale of workforce change is significant
8. Under-resourced on day 1
9. Lack of staff expertise / loss of institutional knowledge
10. Training plan not in place
11. Process design is variable
12. Gaps in work planning process
13. Billing by contractors
14. Limited customer services visibility to service responses
15. Limited procurement strategy
16. Limited IT programme resourcing & governance
17. ERP design risks
18. Day 1 cutover plan unclear
19. Pathways solution questionable
20. ERP payroll go live at risk

Appendix D - List of interviewees

Board	Stakeholders
Dr Lester Levy	Amar Singh – ANA Group
Paul Lockey	Dean Kimpton – Auckland Council
Geoff Dangerfield	Rosalie Percival - Auckland District Health Board
Christine Fletcher	Alastair MacRitchie – Aurecon
Mark Gilbert	Inaki Mendizabal – CAF
Michael Lee	Cos Bruyn – Downer
Dr Ian Parton	Simon Dyne – Fulton Hogan
Rabin Rabindran	Peter Reidy – Kiwi Rail Group
Paula Rebstock	Dave Brash – Transport Agency
	Murray Gimlett – Transport Agency
	Elias Baraket – Thales

Organisation senior staff	Title
Alan Wallace	Regional Road Corridor Delivery Manager
Andrew Scroggins	Group Manager Road Design & Development
Andy Finch	Mngr Strategic Asset Management & Systems
Brendon Main	Bus Services Manager
Chris Morgan	Group Manager Strategic Development
Chris Meale	City Rail Link Project Director
Claire Stewart	Special Projects
Colin Homan	PT Commercial Manager
Craig Inger	Rail Services Manager
Dr David Warburton	Chief Executive
Deborah Godinet	Group Manager Property and Planning
Eifion James	Group Manager Risk and Audit
Eunan Cleary	Group Manager AT HOP
Gareth Willis	Rail Services Delivery Manager
Greg Edmonds	Chief Infrastructure Officer
Jeff Parsons	Head of Procurement
Judy Pollard	Group Manager Project Management Office
Kathryn King	Walking & Cycling Manager
Mario Zambuto	General Counsel
Mark Lambert	General Manager AT Metro
Nick Roadley	Roading Financial Manager
Paul Hancock	Infrastructure & Facilities Mngr - Ferry
Pete Clark	Chief Strategy Officer
Randhir Karma	Network Operations & Safety Manager
Richard Morris	Chief Financial Officer
Roger Jones	Chief Technology Officer
Russell Derecourt	Parking Services Manager
Simon Harvey	Chief People Officer
Steve Smith	Group Manager Finance
Theunis Van Schalkwyk	Project Director Key Strategic Initiatives
Tony McCartney	Group Manager Assets and Maintenance
Tracey Berkahn	Operations Financial Performance Manager

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