

Annual Report – Performance against the Statement of Intent 2017/18

Recommendation

That the Board:

- i. Receives the report.

Executive Summary

1. Auckland Transport (AT) has a statutory obligation to consider the organisation's performance under its Statement of Intent (SOI) in an open session Board meeting.
2. Of the 36 non-financial performance measures covered by the 2017/18 SOI, 24 measures have been met or have exceeded the target. 12 performance measures were not achieved.
3. AT's 2017/18 Annual Report summarises its financial and non-financial performance, including AT's performance against its 2017/18 SOI, for the year ended 30 June 2018. The Board adopted the Annual Report at its August (closed) meeting.

Background

4. Section 96 of the Local Government (Auckland Council) Act requires the Board to consider the organisation's previous financial year performance against its SOI in a meeting open to the public after 1 July each year.
5. The 2017/18 SOI was adopted by the Board in June 2017.

Financial Performance Summary

6. AT's surplus before tax, including funding for capital items, for the twelve months ended 30 June 2018 was \$692.6 million, which is \$180.5 million higher than budget. The variance is mainly due to unbudgeted vested assets revenue of \$213.3 million, higher than budgeted NZ Transport Agency capital and operating funding of \$44.1 million and lower than expected depreciation of \$38.3 million. This is partly offset by lower Auckland Council capital funding of \$111.4 million.
7. Capital expenditure was \$687.0 million, \$78.9 million lower than budget mainly due to delays in public transport projects and deferrals in land acquisition for the Light Rail Transit (LRT) project.

Non-Financial Performance Summary

8. AT met or exceeded 24 of 36 measures in the SOI. Highlights included:
 - Overall satisfaction with public transport services (91%) well above the target of 85%
 - Arterial road productivity exceeded the target of 55%, with the 12-month rolling average result in June 2018 reaching 65%
 - Following the marginal adjustment of freight travel time targets for 2017/18, travel times on all ten key freight routes either met or exceeded their interpeak travel time targets, with six of the routes exceeding targets
 - Public Transport punctuality continues to exceed the SOI target with 96.5% of services on time
 - Road maintenance standards (ride quality) for both urban (84%) and rural roads (95%) exceeded their respective targets of 81% and 91%
 - Active and sustainable transport mode share for Travelwise Schools Programme (48%) and Travelwise Choices Programme (69%) both exceeded their target of 40%. This meant a total of 27,962 single occupant vehicle trips were avoided in the 2017/18 year, well exceeding the target of 20,240.
9. Measures that did not meet their performance measure targets:
 - Rail boardings totalled 20.15 million, 4.3% below the target of 21.06 million. Rail operations faced a number of challenges this year including rail strike action and the Britomart derailment.
 - Total public transport farebox recovery ratio is 45.2%, below the target range of 47% to 50%. This reflects the increased proportion of customers using AT HOP, the rollout of the New Network and the impact of Simpler Fares introduced in August 2016, which reduced fares for the majority of users.

- Local road deaths and serious injuries ended the 2017 calendar year at 690, significantly above the target of 537. A Speed Management Implementation Plan will be developed in 2018 to change speeds on 10% of the rural and urban network. An Accelerated Safety Engineering Programme has been developed to address a greater number of high-risk locations and implement mass-action treatments across the urban and rural network. Latest results report local road deaths and serious injuries in the 12 months to June 2018 as 610, 7% lower than the 12 months to June 2017.
- Local road deaths and serious injuries per 100 million vehicle kilometres travelled is an indication of injuries relative to travel growth on the network. The result at December 2017 was 8.4 deaths and serious injuries per 100 million vehicle kilometres travelled, significantly higher than the target of 4.9, and 20% higher than the 2016/17 result of 7.
- In June 2018, resident satisfaction with the quality of roads in the Auckland region (61%; target 70%), and resident satisfaction with road safety in the Auckland region (59%; target 60-65%) were both 1% lower than the previous quarter. Together with resident satisfaction in the quality of footpaths in the Auckland region (56%, unchanged since the previous quarter; target of 65%), these scores are below target.
- The percentage of customer service requests relating to roads and footpaths which receive a response within the specified timeframes fell below the target of 85%, with the 2017/18 year end average of 82.5%. The Improved Customer Journey project is underway to gain insights into the issues impacting performance.
- 417.5 kilometres of the local road network was resurfaced or rehabilitated, equivalent to 6.4% of the total network. AT has a target of resurfacing/rehabilitating 7.5% of the sealed local road network. The 2017/18 programme did not meet the target due to the need to prioritise funding to undertake urgent emergency repairs to our asset base, including storm events and the sea wall.
- 6.5 kilometres of new cycleways were added to the regional cycle network, less than the target of 10 kilometres. A number of projects that were projected to be completed during the year are now expected to be completed in 2018/19.
- Satisfaction with AT's engagement with Local Boards improved slightly from the 2016 result but remains below the targets of 60%.
 - Satisfaction with AT's reporting to Local Boards was 56% in the 2017 survey, an increase of 1% on the 2016 result
 - Satisfaction with AT's consultation with Local Boards was 42% in the 2017 survey, an increase of 2% on the 2016 result
 - AT's Elected Member Relationship Unit has a plan to improve the overall quality of reports to Local Boards which includes receiving monthly feedback and are focused on providing advice to support Local Boards with their capital fund decisions
 - While not an SOI measure, satisfaction with AT's Elected Member Relationship Managers was 85% in the 2017 survey, an increase of 7% on the 2016 result, and an increase of 10% on the 2015 result

10. The performance results outlined in this report have been incorporated into the Annual Report for the year ended 30 June 2017.

Non-Financial Performance

11. The following table summarises the 2017/18 performance for each of the performance measures in the 2017/18 SOI.

12. AT use the following guidelines to report on performance against the non-financial targets agreed in the SOI:

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

Performance Measure	SOI Target	Actual	Performance
Strategic Theme - Prioritise rapid, high frequency public transport			
1. Total public transport boardings (millions)	93.01	92.36	Target met
2. Total rail boardings (millions)	21.06	20.15	Target not met
3. Boardings on rapid or frequent network (rail, busway, Frequent Transit Network - bus)	Increase at faster rate than total boardings	14.2% growth in RTN + FTN vs 4.4% growth in total boardings	Target met
Strategic Theme - Transform and elevate customer focus and experience			
4. Public transport punctuality (weighted average across all modes)	94%	96.5%	Target exceeded
5. Customer satisfaction index: Public transport	85%	91%	Target exceeded
6. Customer satisfaction index: Road quality	70%	61%	Target not met

Performance Measure	SOI Target	Actual	Performance
7. Customer satisfaction index: Footpath quality	65%	56%	Target not met
8. Customer satisfaction index: Road safety	60-65%	59%	Target not met
9. Local road deaths and serious injuries per 100 million vehicle kilometres travelled ¹	4.9	8.4	Target not met
10. Percentage of Local Board members satisfied with AT engagement	Reporting to Local Board: 60%	56%	Target not met
11. Percentage of Local Board members satisfied with AT engagement	Consultation with Local Board: 60%	42%	Target not met
12. 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 (2017 year-end target of 537)	12 months rolling total to December 2017: 690	Target not met
13. Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames ²	85%	82.5%	Target not met

Performance Measure	SOI Target	Actual	Performance
Strategic Theme - Build network optimisation and resilience			
14. Arterial road productivity ³	55% of the ideal achieved	65%	Target exceeded
Travel times (in minutes) on key freight routes⁴ (performance measures 15 to 24)			
15. SEART (from Sylvia Park to East Tamaki) – East Bound	12	12	Target met
16. SEART (from East Tamaki to Sylvia Park) – West Bound	12	11	Target exceeded
17. Wairau Road (from SH1 to SH18) - West Bound	9	9	Target met
18. Wairau Road (from SH18 to SH1) - East Bound	10	9	Target exceeded
19. Harris Road (from East Tamaki to SH1 Highbrook interchange) – West Bound	11	11	Target met
20. Harris Road (from SH1 Highbrook interchange to East Tamaki) – East Bound	13	13	Target met
21. Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (SH20 to Walmsley) – East Bound	11	9	Target exceeded
22. Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (Walmsley to SH20) – West Bound	11	7	Target exceeded
23. Great South Road (SH1 Ellerslie Panmure Highway Interchange to Portage Road) – South Bound	13	12	Target exceeded

Performance Measure	SOI Target	Actual	Performance
24. Great South Road (Portage Road to SH1 Ellerslie Panmure Highway Interchange) – North Bound	13	11	Target exceeded
25. New cycleways added to regional cycle network (km)	10km	6.5km	Target not met
26. Annual number of cycling trips in designated areas in Auckland (all day)	1.8 million	1,807,040	Target met
27. Annual cycle movements in the Auckland city centre	1,863,000	1,845,430	Target met
28. Road maintenance standards (ride quality) as measured by Smooth Travel Exposure (STE) for all urban roads	81%	84%	Target exceeded
29. Road maintenance standards (ride quality) as measured by Smooth Travel Exposure (STE) for all rural roads	91%	95%	Target exceeded
30. Percentage of the sealed local road network that is resurfaced	7.5%	6.4%	Target not met
31. Percentage of footpaths in acceptable condition (as defined in AT's AMP)	99%	99%	Target met
Strategic Theme - Ensure a sustainable funding model			
32. Public transport farebox recovery ⁵	47-50%	45.2%	Target not met
Strategic Theme - Develop creative, adaptive, innovative implementation			
33. Parking occupancy rates (peak four-hour, on-street) ⁶	70%-90%	82.9%	Target met
34. Number of car trips avoided through travel planning initiatives ⁷	20,240	27,962	Target exceeded

Performance Measure	SOI Target	Actual	Performance
35. Active and sustainable transport mode share at schools where the Travelwise programme is implemented	40%	48%	Target exceeded
36. Active and sustainable transport mode share for morning peak commuters where the Commute programme is implemented	40%	69%	Target exceeded

Notes:

- ¹ The rate of local road deaths and serious injuries per 100 million vehicle kilometres travelled is an estimate exposure to crash-risk on the local road network.
- ² As defined in AT's customer service standards: two days for incident investigation as a high priority; three days for an incident investigation as a normal priority; one-hour emergency response time.
- 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 Road)
 - St Lukes to St Johns (via Balmoral/Greenlane West/Greenlane East/Remuera Road)
 - Albany to Birkenhead (via Glenfield Road)
 - Henderson to CBD (via Great North Road)
 - SH1 to Ti Rakau Drive (via Te Irirangi Drive)
 - SH20 to Portage Road (via Tiverton/Wolverton Road)
- ⁴ Maintain travel times for the 85th percentile of trips along each route.
- ⁵ 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 Transport Agency guidelines.
- ⁶ Four-hour peak period is defined as the top four busiest hours of the day. These hours are not often coincidental and can vary depending on contributing factors. On-street parking occupancy is surveyed in three central city parking zone precincts: Shortland/High Streets, Karangahape Road and Wynyard Quarter.

- 7 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+)
 - Travelwise Choices – calculation of the number of trips converted from drive-alone to other modes amongst Travelwise Choices programme participants.

Attachment

Attachment Number	Description
1	AT Annual Report for the year ended 30 June 2018

Document Ownership

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