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AGENDA ITEM 15 BOARD NOTING PAPER	
To:	The Board
From:	Dean Kimpton, Chief Executive
Reviewed:	Andrew Downie, Head of Governance Dean Kimpton, Chief Executive
Date:	<i>[Date the paper is uploaded to Diligent, Board Secretary to complete]</i>
Title:	Chief Executive's Open Board Business Report

Aronga / Purpose

1. To summarise Auckland Transport's (AT's) activities which contribute to the delivery of the Statement of Intent (SOI).

Te horopaki / Background

2. This report provides an update on progress with meeting our SOI deliverables and performance measures. We also report on the impact of our decisions on those who use and experience our various networks.

Me mōhio koe / What you need to know

Operational highlights and challenges (previous month or year to date)

3. **SOI performance:** Attachment 1 shows the March 2025 SOI results. There are currently five measures below forecast: customer perceptions (AT listens and responds), safety (deaths and serious injuries), public transport (PT) patronage, PT utilisation, and farebox recovery ratio. The Māori procurement measure is now back on track to meet FY25 target.
4. We have seen **increases across all our key reputation metrics** following declines in the December quarter. AT listens and responds to Aucklanders' needs has increased 6 points to 33%. We have seen uplifts in most metrics

driven by increases amongst PT users and a significant increase in roading satisfaction. We have been consistently messaging what we are doing on the roads to improve traffic flow. Despite these increases, our reputation scores remain low due to more systemic issues around the way we plan and engage with Aucklanders to design and deliver a transport system that meets the current and future needs of Auckland.

5. **PT patronage and utilisation** have improved in February and March but are still under the target. Lower patronage is primarily driven by rail disruptions and the ongoing prevalence of flexible working arrangements.
6. **March Management:** regular planning meetings for March Management began in September 2024, with daily sessions held in February and March to address issues promptly. Key actions included applying learnings from previous peak periods, adding extra services for busy routes (especially school transport), deploying volunteers at hotspots, and improving communication about urban service support.
7. Patronage this year was comparable to last year. In order to address capacity concerns, we added larger buses for appropriate services, and provided additional trips to key routes, including school trips – some of which will be permanent additions to timetable. To manage peak congestion on the network, we proactively made adjustments to signal phasing to prioritise buses.
8. **Bus Services – Tranche 2 Procurement Award:** in February, New Zealand's largest ever tendered bus services contract was finalised and awarded to Ritchies Transport to deliver expanded operations in west and south Auckland.
9. This represents a \$1.068 billion contract over nine years and includes 175 new electric buses introduced on the network.
10. This will deliver more frequent and reliable bus services directly benefiting west and south Auckland communities by improving connectivity and reducing wait times: at least three new frequent bus routes, which run at least every 15 minutes, 7am to 7pm, seven days a week.
11. **Annual Arterial Road Network Report 2024:** AT has published its first annual report on the performance of the arterial road network for 2024. This highlights that congestion levels have risen since 2023, growing at 2-3% annually, and reducing average speeds on the network.





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12. We are observing longer evening peak periods – starting earlier and extending longer in the day, which causes additional congestion during key freight times (mainly between 9am and 4pm). We are still projecting freight performance to meet our SOI target of 85%, but a declining trend due to the worse afternoon congestion is noted.
13. Productivity on urban arterials is improving due to higher PT patronage and reflecting investment in services and priority. The highest morning peak arterial road congestion is in the Waitemata, Albert-Eden and Howick local boards. Localised congestion is prevalent near motorway interchanges. Continued investment in productivity and optimisation of the network, including the completion of the City Rail Link (CRL) and Eastern Busway, is expected to reduce congestion.
14. A copy of the full report is expected to be available on the AT website shortly.
15. **Parking and kerbside:** a summary of parking and compliance activities for the upcoming quarter is included in Attachment 2. These activities will improve access and movement, and, where appropriate, encourage user contributions. The key highlights are noted below.
16. The **City Centre Comprehensive Parking Management Plan (CPMP)** went to public engagement on 26 February 2025 and closed on 30 March 2025. This is part of the broader city centre and whole-of-council programme. Community members were invited to review and provide local insights on proposed kerbside improvements in the city centre.
17. In April, as part of **AT's annual tariff review**, paid parking prices are going up 50c per hour across Auckland, to keep up with the higher costs of keeping the city moving. AT reviews parking prices annually, adjusting them based on data, similar to PT fare reviews. This ensures users contribute to maintaining the parking system, reducing the financial burden on ratepayers.
18. AT is planning to **pilot paid parking in light industrial areas**, specifically in Mt Smart and Wairau. This initiative aims to improve site access and encourage users to contribute to parking costs, lessening the financial burden on ratepayers. Before implementation, data analysis and initial engagement efforts are ongoing, then consultation is expected to start in May 2025.
19. **Bookable spaces at Albany Park and Ride:** customer access to parking spaces at Albany Park and Ride received a boost through this pilot project, allowing for a small number of bookable spaces that went live on 03 March 2025. The pilot has been running smoothly, with many people choosing to use this option. AT is monitoring the pilot's usage and will evaluate the results after three months to determine the next steps for this project. The area for bookable spaces currently represents 58 of the 1,100 spaces at Albany, or 4.8% of the Park and Ride.
20. To help manage parking demand and ensure users contribute to maintenance costs, we are planning the implementation of paid parking on weekends and public holidays in existing paid areas. Workshops with nine local boards (Albert-Eden, Devonport-Takapuna, Henderson-Massey, Ōrākei, Ōtara-Papatoetoe, Upper Harbour, Waiheke, Waitemata, Whau) are being arranged to discuss this, with potential implementation from July 2025 based on feedback.
21. **Draft SOI:** AT staff have worked closely with Auckland Council to prepare and submit the first draft of the SOI. We are now working through council feedback to submit the final SOI in July.
22. **Corporate strategy implementation:** the implementation of our internal corporate strategy accelerators is progressing well, as we continue to meet a large number of our delivery milestones for targeted initiatives. Our new quarterly business review (QBR) process is being embedded with the Executive Leadership Team undertaking quarterly sessions to review performance and set priorities for the quarter/year ahead to ensure we remain on track to meet performance commitments.
23. **E Marotiritiri Ana: Māori Outcomes Report:** on 8 April 2025, we released E Marotiritiri Ana, which provides a comprehensive overview of AT's achievements in delivering meaningful progress for Māori across Tāmaki Makaurau. This report is the first of its kind, bringing together information



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that reflects AT's work alongside iwi, mana whenua, and Māori-owned businesses. The report acknowledges the progress made in weaving te ao Māori throughout AT and sets the stage for continued efforts to uplift and protect the wellbeing of Māori in the region.

24. This report was received by members of Houkura Independent Māori Statutory Board and representatives from the council group's various Māori Outcomes teams.
25. **People and performance:** Attachment 2 outlines key people and performance outcomes.
26. Our voluntary turnover continues to fall from 11.7% in June 2024 to 9.4% in March 2025 (target of no more than 15%). However, this remains an area to watch as the risk of retention and attraction is forecast to rise due to the sustained level of change being experienced across the council group.
27. **Fareshare:** we have launched Fareshare to all permanent and fixed term AT employees. This aligns our leadership commitment to PT with other companies committing to subsidised PT for their employees as promoted through our Fareshare programme. It also responds to employee feedback received during our recent flexible work policy consultation.

Strategic challenges or ongoing issues

28. **Business planning for 2025/26:** we have commenced our annual business planning round which includes updating our SOI and Enterprise/Directorate Business Plans. We are taking an iterative approach so we can respond to decisions on transport sector reform as they get confirmed. Our plans will initially align to AT's current legislative role and remit and will be updated as decisions are made on group shared services, Council Controlled Organisation reform and legislative change. This will cause some uncertainty amongst our staff but we are managing this through an effective change management and transition planning approach.
29. **Private Revenue Ratio (PRR):** New Zealand Transport Agency Waka Kotahi (NZTA) has written to us confirming it will recommend its Board

accepts our finalised PRR targets, which are based on Auckland Council's Long-Term Plan (LTP).

30. NZTA originally proposed targets of 30% for FY25, 34% for FY26, and 42% for FY27.
31. Our assessment showed that achieving the NZTA targets would mean substantial disruption to the PT system. In response, we sent through our proposed initial targets, which align with the LTP. These are: 29.4% for FY25, 30.2% for FY26, and 30.5% for FY27.
32. We tested these different PRR options with councillors at a February workshop. This testing looked at options to increase our initial targets by 1-4% over the next three financial years. Councillors didn't support increasing the targets due to concerns about service reductions, fare increases, and potential adverse effects on patronage. They reaffirmed their commitment to the initial targets.
33. In March 2025 we confirmed our initial PRR targets to NZTA highlighting that our PRR is expected to increase by 38% between 2025 and 2034, despite substantial investment and rail maintenance costs to bring the CRL online. Our response also highlighted the ongoing risk we have of slow rail patronage growth because of ongoing rail maintenance disruptions. Additionally, we outlined initiatives to optimise services, simplify fare structures, increase fares, and boost third-party revenue. Given the significant initiatives underway to improve our PRR ratio over time, NZTA has accepted our targets.

Risks

34. The risk dashboard for January 2024 is presented in Attachment 3.

Key approval papers

35. The key items requiring approval or noting by the board at this meeting are:



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- a. Brownfields Programme Business Case Addendum and recommended 10-year joint transport programme.
- b. National Ticketing Solution Update - April 2025.
- c. Quarterly Report (Q3) to AC for Quarter Ending 31 March 2025.
- d. Strategic document rationalisation.
- e. Customer statement.



Ā muri ake nei / Next steps

- 36. The next Chief Executive’s Open Board Business Report will be presented to the board at the 24 June 2025 meeting.

Ngā whakapiringa / Attachments

Attachment #	Description
1	SOI Dashboard – March 2025
2	People and Performance Dashboard – March 2025
3	Risk Dashboard – March 2025
4	Parking and kerbside key activity timeline

Te pou whenua tuhinga / Document ownership

Submitted by	Recommended by	Approved for submission
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