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| subject | AUCKLAND TRANSPORT BOARD MEETING |
| venue | Council Chambers, Level 2, Civic Building, 6 Henderson Valley Road, Henderson |
| date | Tuesday 20 November 2012 |
| time | 9.01. a.m. |
| status | Open Session |
| 1. | **Present:**Lester Levy, Chair - (LL)Geoff Dangerfield - (GD)Christine Fletcher - (CF)Mike Lee - (ML)Paul Lockey - (PL)Ian Parton - (IP)Rabin Rabindran - (RR)Mike Williams - (MW) | **In Attendance:**David Warburton Dave FosterPeter ClarkSimon HarveyClaire StewartWally ThomasAlan Howard-SmithGreg EdmondsRick Walden Nick Seymour Tipa Compain* 1 members of the Press and no members of the Public in attendance
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| 2. | **Apologies*** Pip Dunphy
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| 3. | **Declarations/Conflicts*** The Chair noted that he had previously provided his conflict of interests declaration and tabled an additional signed copy. The Chair’s key conflicts are Chair of Auckland and Waitemata District Health Boards, independent Chair of Tonkin & Taylor, Deputy Chair of Health Benefits Limited, Professor (Adjunct) of Leadership, University of Auckland and Co-Director of the New Zealand Leadership Institute.
* IP declared new interests – Director of Aurora Energy Ltd and Delta Utilities Limited
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| 4. | **Late Items of General Business*** None
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| 5. | **Approval of Minutes (Open)*** **24 October 2012**

*Resolution:**That the minutes be adopted.*(Rabin Rabindran / Paul Lockey): carried |
| 6. | **Matters Arising not on Agenda*** Nothing to report.
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| 7.  | **Action Points*** **24 October 2012**
* ML commented that there was good visibility of Revenue Protection Officers in relation to the HOP card launch for trains. He, however, understood from discussions with a Train Manager that some of the patrons are using the AT HOP cards to evade their fares particularly at non-gated stations and if not travelling to Newmarket/Britomart.
* ML requested a report be submitted to the Board to understand the extent of fare evasion and where it may be occurring. The Chair suggested that management consider what immediate actions could be taken to resolve the fare evasion whilst the report is being developed. The Chief Operating Officer (COO) explained that work is already underway to minimise fare evasion but that the gates that had been fitted were what the approved plan had called for. Additional gates could be retrofitted but that there would be a capital cost associated with those. The Chief Executive (CE) advised that a report will be provided to the Board.
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| 8. | **Financial Report*** The Chief Financial Officer (CFO) spoke to the report discussing the various financial challenges that were faced and confirmed that despite the financial challenges, AT is on track for meeting budgets.
* He elaborated on issues related to depreciation and capitalisation of staff time, the latter under investigation. Depreciation on invested assets is currently higher than budget but this is due to timing.
* PL raised a query as to whether the capitalisation and depreciation is consistent with the planned operating activities; the CFO confirmed that they were.
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| 9. | **Business Report****CHIEF EXECUTIVE’S REPORT (David Warburton)*** The CE provided an overview of his report and noted the work priority around AIFS and HOP.
* He noted that significant progress was made by AT around Maori Language week with AT securing two awards.
* The CE advised that KiwiRail apologised for being unable to attend the November meeting but will be making a presentation on the Wellington based Rail Control System at the December Board meeting.

**PEOPLE & SERVICES (Simon Harvey)*** The HR Manager spoke to the report.
* He advised that the staff turnover for the organisation was around 3%. However in the areas of Customer Services and Parking it was approximately 6%.
* The AT compliance of Workplace Safety Management Practices was audited by ACC and a secondary rating was achieved. Efforts were now being focussed on achieving a tertiary rating for the next year.
* He noted that the Customer Services Charter is due to be launched which will consolidate AT’s approach in delivering consistent customer service. It was suggested that the Charter be taken into Veolia to cover customer service experiences of AT. The Chair welcomed the idea of a Customer Charter but stressed the importance of it being embedded in the culture. The HR Manager confirmed that the training program is being implemented and service improvement evaluated.
* RR raised the question on the assaults of parking attendants and if complaints laid with the police are being followed through. He requested that going forward updates to the Board should include information on convictions achieved.
* The Chair queried whether there was a safety culture in the organisation. He emphasised that Health and Safety needs to be one of the characteristics of the AT culture, rather than simply being driven by policy. The HR Manager confirmed that the H&S drive is high and AT has a zero tolerance. AT is also looking at picking up learning’s from other organisations and will be visiting Fletchers who have a high reputation for H&S.

**OPERATIONS (Greg Edmonds)*** The Chief Operating Officer (COO) noted that the Road Corridor team has been busy with the Triathlon event. The event resulted in significant road closures but there was little inconvenience caused to the public. It was noted that the event was very successful.
* The COO advised that Hobsonville Ferry tender was awarded. CF was keen to know when the ferry services for Beach Haven/Hobsonville would be completed and suggested that we try to push for completion in early 2013.
* The COO further noted that AT received two highly commended Leadership awards from Trafinz for the Pt England Self explaining road project and The Sober Driver interactive education campaign.
* During the month of October, Veolia Transport achieved 87.1% for rail punctuality being the best performance in the last 4 years.
* The COO advised that AT officially launched HOP cards for trains on 27th October with no major issues. 37,000 HOP cards have been sold and 55% are currently being used. It is expected that HOP card usage will increase with the 10 trip tickets and monthly passes on trains phasing out at the end of December.
* He noted that a formal Service Level Agreement between Auckland Council and AT for storm water management has been concluded
* ML was concerned that no comment was made on patronage, one of the key performance indicators of this organisation. He indicated that patronage figures are showing a decline and suggested that there needs to be a plan in place to deal with the issue or else AT will fall short of achieving its target by the year end. The COO confirmed that patronage was a priority and is reported in the statistics report. He explained that one of the possible reasons for this decline could be because of the fact that earlier figures were based on sales but current data is based on usage due to a shift to HOP. He advised that an action plan is being prepared and would need to have some activities in parallel with a priority for reporting.
* PL pointed out that the detailed analysis will only trim the edges and suggested that AT needs to prepare a report to drive demand and improve accuracy of data while ensuring that success is measured and evaluated. He also suggested that it would be good to look at work done in the past and how successful they have been. The Chair agreed and advised that in his view there needs to be a much stronger marketing perspective. He requested that the patronage report be brought back to the Board focussing on change in a positive way without micro-managing goals and implementation plans. There needs to be a paradigm change in marketing with a priority given to this in the report.
* CF was concerned about statements issued on use of Baycorp. While she supported the use of Baycorp for a lot of reasons she stated that she would not like to discomfort the public with misinformation floating around and suggested that some communication go out expressing our stand with regards to the use of Baycorp.

**FINANCE (David Foster)*** The Chief Financial Officer (CFO) spoke to the report and advised that the Property team were focussed on land acquisitions.
* He confirmed that Baycorp management fees have been renegotiated which has resulted in substantial savings for AT.
* It was noted that Audit NZ is due to commence an interim audit in November/December.
* The AT cost reduction options - cessation of berm mowing and reduction in the emergency bus contingency fund proposed by the Mayor were accepted by the AC Finance & Strategy Committee.

**INFRASTRUCTURE (Kevin Doherty)*** The Chief Infrastructure Officer (CIO) spoke to the report.
* The CIO explained that the infrastructure capital works expenditure for the month was $23m - $4m below forecast due to a slower construction spend and also due to the release of $10m of contingency on the AMETI project. The Local Board is likely to utilise only $4m of its discretionary fund of $10m with the balance $6m fund available being reserved for future spends within those Local Boards. He advised that a report is scheduled to be brought back to the December Board covering the reforecast of the capital programme.
* He provided an update on various infrastructure projects indicating that work on Glenfield, Tiverton/Wolverton is progressing as planned traffic on the Ellerslie Panmure Highway will be diverted to the New Bridge at the end of November. The Mt Albert station contract has been awarded which is part of the station programming. He confirmed that the underpass at Mt Albert Station will be retained as suggested by Local Boards and AT will ensure to provide better lighting facilities and cameras in the underpass along with installing two new canopies linking bridge from Carrington Road together with lifts and stairs to the platform.
* ML congratulated staff who have worked on the Cycle way on Tamaki Drive,

**COMMUNICATIONS AND PUBLIC AFFAIRS (Wally Thomas)*** The Corporate Manager Communications and Public Affairs spoke to the report.
* He noted that AT received two awards at Maori Language week – one as a new entrant, and the other being the Supreme award for initiatives throughout the week. At the presentation it was noted that AT was an exemplar for a public sector organisation.
* He advised that various initiatives/surveys have been conducted or are underway to improve customer satisfaction, safety and general awareness amongst the public. To improve safety, information on toddler and child safety in driveways has been rolled out in seven languages. The Sober Driver campaign has secured around 47% awareness. Results of the various surveys will be reported back to the February Board.
* The unit had developed a communication plan to support traffic changes for major projects such as AMETI and Dominion Road.
* It was noted that the AT twitter account was gaining popularity and TV3 has also been availing of AT tweets to provide updates to the public.
* Commercial activities have been progressing. A car wash/valet and dry cleaning pick up and drop off are new services being trialled in AT car parks, the initial introduction being at Downtown car park prior to Christmas.

**KEY RELATIONSHIPS (Alan Howard-Smith)*** The Acting Corporate Manager Key Relationships spoke to the report.
* He stated that the Local Boards are fully engaged with activities about the Local Board Transport fund. They are working on getting Elected Members to arrive at decisions on how to spend their allocated funds.
* He noted that the Prime Minister has accepted the invitation to open the Hobsonville Ferry Wharf.
* The Minister of Transport has been invited to visit AMETI on 23 November.
* It was also noted that engagement with Maori has intensified across a number of projects in the past few weeks.
* CF suggested it would be good to get feedback from Local Board’s regarding footpath renewals.

**STRATEGY AND PLANNING (Peter Clark)*** The Corporate Manager Strategy and Planning spoke to the report.
* He noted that the team have provided inputs into transport component of the Auckland Plan and are liaising closely with NZTA re Waterview Precinct Plan.
* He indicated that they have responded to the Auckland Council area plans.
* The public consultation period for the Draft Regional Public Transport Plan closed with 700 submissions received. Hearings will occur in early 2013 and will be held at the City Centre, Albany and Henderson.
* He noted that good progress was being made with NZTA with 21 new funding applications submitted to them in October and $15m funding approved.

**SPECIAL PROJECTS (Claire Stewart)*** The Corporate Manager Special Projects spoke to the report.
* She noted that the first train arrives in 10 months time. Manufacture of the first train is expected to be completed in the next 3 months which will be followed by the finishing and fit out.
* A tour of the EMU Depot site was held and 4 Directors visited the site.
* It was noted that constructive comment was received from the Government on the draft CCFAS study. ML was impressed with the work done by the team and congratulated them on their efforts.
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| 10. | **Infrastructure** |
|  | 1. Rail Electrification Extension

The CIO introduced the item and spoke to the report which gave rise to extensive discussions.He explained that electrification of the rail network is underway and is expected to be completed in 2013. While this aligns with when AT will receive the electric trains, the electric trains will stop at Papakura and a diesel train would need to run to Pukekohe. This was not included in the LTP. The Business case is however now completed indicating a project profile of HHM with an option C identified as the best option at a cost of $102.3m. The report recommended that this project be included into the AT portfolio capital programme at its current profile of HHM. Inclusion of this into the programme would mean that projects with a lower priority would need to be deferred or alternative funding sought. RR noted that there were a number of submissions on this through the RLTP process and he could not emphasise enough how important this is. He queried on the M in the profile HHM. The CIO advised that the profile HHM (High-High-Medium) is based on a BCR of 2:1 and that it would be more efficient to get the work done simultaneously while other work is being carried out. CF also backed this paper and affirmed this was a compelling case but queried Paerata station being included. The Project Director advised that Paerata was considered to be a potential growth area and also fits in with Auckland Council strategic objectives. GD however noted that electrification only works if the growth predicted in Auckland actually occurs. ML was concerned about the reprioritisation of lower priority projects particularly Parnell Station. He noted that while making the case to Wellington it should be noted this is not a new initiative. Urged caution of putting the costs of rolling stock in the project.IP stated it would be easier to purchase an additional 2 EMU while the current production run is being worked on.ML was not in agreement with selling all the diesel train units and suggested that some could be used across the region. It was suggested that the issue of diesel potential be separated out from electrification.*Resolution**That the Board:*1. *Receives the report*
2. *Approves including the extension of rail electrification to Pukekohe as a project within the AT capital portfolio at an identified priority profile of HHM*
3. *Notes that additional work is required to determine NZTA subsidy implications, project timing, funding sources or reprogramming of lower priority projects. This will be brought back to the Board in early 2013 with a recommendation with respect to inclusion into the LTP*

 (Rabin Rabindran / Christine Fletcher): carried |
| 11. | **General Business*** None
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| 12. | **Closure and next Meeting*** The meeting closed to the public at 10:34 a.m.
* Next Open Board Meeting 9.00am Thursday 6 December 2012
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