

# Auckland Transport Statement of Intent - Half Year Report

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## Executive Summary

The Auckland Transport Statement of Intent (SOI) requires the completion of an unaudited Half Year report which is prepared within eight weeks from the end of December each year. The report presented here is for the period 1 November 2010 to 31 December 2010 and provides an overview of the organisation's performance during this period.

The information presented here reports on the key aspects highlighted through the Statement of Intent and includes the following:

1. **Programme of Action** - progress updates on all
  - Major local roading projects
  - Study, investigation and design projects
  - Public Transport Projects
  - Contribution on projects led by others
  
2. **Key Performance Indicators**
  - Results available for December
  - KPIs to be measured during next quarterly reports
  - New baseline measures which are being developed
  
3. **Financial Results**
  - Statement of Financial Performance
  - Statement of Capital Expenditure
  - Statement of Financial Position
  - Statement of Cash Flows

### **Abbreviations used in this report**

YTD	Year to date
8 Months	8 month financial period, from 1 November 2010 to 30 June 2011 year end
Plan	Approved budget as per Auckland Council Planning Document for the 8 month period from 1 November 2010 to 30 June 2011
2 Months	Refers to the reporting period from 1 November 2010 to 31 December 2011, which is applicable for the :
	AC - Auckland Council
	AT - Auckland Transport
	POA - Programme of Action
	NZTA - New Zealand Transport Agency

## 1. Programme of Action

The SOI identifies five key goals that Auckland Transport will focus on for the period:

- Deliver a properly connected arterial road network that is integrated with the State highway network and moves people and goods efficiently and safely
- Deliver an integrated and connected public transport network of rapid, quality and local connector services that is attractive to customers
- Reduce car dependency and improve community health by providing infrastructure and services for walking, cycling and ride sharing
- Deliver an effective and efficient transport system that enables Aucklanders to make smarter transport choices
- Ensure Auckland Transport is customer focused, and delivers value for money

Auckland Transport has identified a Programme of Action which sets out specific transport initiatives planned for the next three years which support the achievement of these goals. The next section provides an update on progress on each of these initiatives. The initiatives are categorised as follows:

- Major local roading projects
- Study, investigation and design projects
- Public Transport Projects
- Contribution on projects led by others

Ref	Project	Progress to 31 December 2010
<b>1. Major Local Roding Projects</b>		
POA 1.1	New roading connections and improvements associated with the New Lynn rail trenching and transport interchange.	<ul style="list-style-type: none"> <li>• Stages 2 and 3 well underway with good progress on bridge and earthworks.</li> <li>• Crown Lynn PI and McCrae Way Preliminary Designs are underway.</li> <li>• Great North Rd brief and tender docs prepared.</li> </ul>
POA 1.2	Roding projects in new development areas, especially Flat Bush, East Tamaki, and Pukekohe.	<ul style="list-style-type: none"> <li>• Flat Bush School Rd Upgrading Stage 2 - Pt 1 &amp;2 – Detail design and consenting underway.</li> <li>• Flat Bush School Rd Upgrading Stage 3 – Scheme Assessment Report underway.</li> <li>• Flat Bush School Rd Upgrading Stage 3. Detail design complete. Land acquisition underway.</li> <li>• Murphy's Rd bridge - Scheme Assessment Draft-On hold sorting out hydraulic issues with Beca Model plus agreement on road configuration with plan change 20.</li> <li>• Murphy's Rd Upgrade - Murphy's Bush (North of Thomas Rd to Flat Bush School Rd) – Some preliminary design completed.</li> <li>• Chapel Road Realignment and Bridge/Ormiston Rd to Stancombe Rd – Scheme Assessment Report (SAR) completed but transport planning and hydraulic issues</li> </ul>

		<p>are being resolved.</p> <ul style="list-style-type: none"> <li>• Ormiston Rd - North Side Widening Ti Irirangi Dr to Chapel Rd – Detail design completed.</li> <li>• Pukekohe Eastern Arterial - Feasibility Study has been completed.</li> </ul>
POA 1.3	Commencement of the Auckland-Manukau Eastern Transport Initiative (AMETI) project	<ul style="list-style-type: none"> <li>• Progressing well on design phases.</li> </ul>
POA 1.4	Bus priority programmes.	<ul style="list-style-type: none"> <li>• Overall Bus and High Occupancy Vehicle (HOV) Priority review begun to be completed in 6 months, ie by end July 2011</li> <li>• Bus Lane Identification Review in 2 months (on Mayor's priority list)</li> </ul>
POA 1.5	Major pavement reconstruction.	<ul style="list-style-type: none"> <li>• 73% of annual budget for road reconstruction programme spent or committed by 31 December 2010; on track to complete programme by financial year end.</li> </ul>
POA 1.6	Local road improvements associated with major NZ Transport Agency projects, including SH20 Waterview and SH16 upgrades	<ul style="list-style-type: none"> <li>• Hobsonville Rd – Detail design underway.</li> <li>• Lincoln Rd preliminary design tender preparation.</li> <li>• Te Atatu Rd detail design underway.</li> <li>• Tiverton to Wolverton document review completed in preparation for construction once funding confirmed.</li> <li>• Hollyford to Ronwood – Scheme Assessment Report underway.</li> </ul>
<b>2. Study, investigation and design projects</b>		
POA 2.1	Crash reduction studies in Auckland City, Waitakere and Franklin.	<ul style="list-style-type: none"> <li>• Crash reduction studies underway in Auckland, Waitakere and Franklin with completion anticipated by end of June. Programming, design and implementation planned for 2011/12.</li> </ul>
POA 2.1	Investigation and route protection for the CBD rail tunnel	<ul style="list-style-type: none"> <li>• Concept Design and business case has been approved by AT Board and endorsed by AC</li> <li>• Government is reviewing the Business Case – to be completed by April 2011.</li> <li>• AT and AC are setting up a project team to deliver the CBD Link.</li> </ul>
POA 2.2	Investigation and route protection for a rail Rapid Transit link to the Airport	<ul style="list-style-type: none"> <li>• South Western Airport Multi-modal Study tenders evaluated. The preferred tenderer has been awarded the contract and the project is underway.</li> </ul>
POA 2.3	Investigation and route protection of the Panmure-Botany Quality Transit Network (QTN) or Rapid Transit Network (RTN) route	<ul style="list-style-type: none"> <li>• RTN options defined and presented to the community.</li> </ul>

POA 2.4	Investigation of rail to the North Shore	<ul style="list-style-type: none"> <li>Project has been initiated following the completion of the Additional Waitemata Harbour Crossing investigations by NZTA. The NZTA work included an assessment of the capacity of the Northern Busway and a preliminary review of rail options to the North Shore.</li> </ul>
POA 2.5	Development of a new rail station at Parnell	<ul style="list-style-type: none"> <li>Feasibility assessment of new station completed</li> </ul>
POA 2.6	Removal of rail level crossings	<ul style="list-style-type: none"> <li>Level crossings for removal have been prioritised. Programming of investigations being initiated.</li> </ul>
POA 2.7	Bayswater ferry terminal	<ul style="list-style-type: none"> <li>Interim solution to acquire public control of existing terminal underway</li> </ul>
POA 2.8	Albany Highway Corridor upgrade	<ul style="list-style-type: none"> <li>Scheme Assessment Report underway.</li> <li>Notice of requirement (NOR) preparation underway.</li> <li>Land acquisition underway.</li> </ul>
POA 2.9	CBD Waterfront access	<ul style="list-style-type: none"> <li>Road corridor consent granted and civil works and track laying for Wynyard Quarter tourist tram circuit commenced by the Waterfront Development Agency</li> <li>Design nearing completion for new flagship CBD bus services. Public consultation to commence shortly</li> </ul>
POA 2.10	Upgrade to Dominion Road, including bus priorities	<ul style="list-style-type: none"> <li>Revised options taking into account Auckland Council Transport Committee resolutions and commodity consultation nearing completion.</li> </ul>
<b>3. Public Transport Projects</b>		
POA 3.1	Integrated fares and ticketing	<ul style="list-style-type: none"> <li>Preparation for launch of Phase 1 of Auckland integrated ticketing for March 2011 nearing completion</li> <li>Civil works have commenced at rail stations for implementation of integrated ticketing readers</li> <li>Ongoing development of core system for full multi-modal and operator launch mid-2012</li> </ul>
POA 3.2	Extension of the real time public information system	<ul style="list-style-type: none"> <li>Extension of real-time bus arrival forecasts to all bus stops across the region completed</li> <li>Real-time bus arrival forecasts for any bus stop can be accessed by MAXX.co.nz and mobile devices</li> <li>Development work commenced on rail service communication feeds to inform real-time system</li> <li>Contract awarded for rail station and additional bus stop electronic signs</li> <li>Rail on track for mid-2011</li> </ul>
POA 3.3	Completion of the Manukau rail station and bus interchange	<ul style="list-style-type: none"> <li>Civil and construction works for new station and track progressing</li> </ul>
POA	Improvements to frequency and reliability of trains on the	<ul style="list-style-type: none"> <li>Opening of the Onehunga Branch Line and increased service frequency on Southern Lines and Western</li> </ul>

3.4	core urban network	<p>Lines from September 2010 bedded-in</p> <ul style="list-style-type: none"> <li>• KiwiRail signalling upgrade continues: <ul style="list-style-type: none"> <li>○ SP1a Newmarket to Morningside – commissioned 20/21 November 2010</li> <li>○ SP1b Britomart to Newmarket – 9 January 2011</li> </ul> </li> <li>• Temporary Speed Restrictions to be gradually lifted across the network following Christmas 2010 civil works</li> </ul>
POA 3.5	Bus service improvements on the Isthmus, Waitakere, North West Rodney, Manukau and Papakura including better connections to rail stations	<ul style="list-style-type: none"> <li>• North Waitakere and North West Rodney new bus service network including Western Line rail service integration launched and bedded-in</li> <li>• Improved Western Bays and New Lynn bus services to integrate to New Lynn and Western Line rail services launched and bedded-in</li> <li>• New isthmus flagship bus services design complete and preparations for public consultation underway for February 2011</li> </ul>
POA 3.6	Otahuhu transit station	<ul style="list-style-type: none"> <li>• Opening of public facilities at Otahuhu bus station agreed with NZ Bus (operator)</li> </ul>
POA 3.7	Hobsonville ferry terminal in conjunction with new housing development.	<ul style="list-style-type: none"> <li>• Detailed design being progressed</li> </ul>
POA 3.8	Half Moon Bay ferry terminal upgrade	<ul style="list-style-type: none"> <li>• Scoping commenced for revised Master Plan</li> <li>• Met Half Moon Bay Residents Association to understand concerns</li> </ul>
POA 3.9	Birkenhead ferry terminal – installation of hydraulic ramp.	<ul style="list-style-type: none"> <li>• Installation of outer berth ramp completed</li> <li>• Design and development of inner berth ramp commenced</li> <li>• Purchase of privately owned berthage facilities nearing completion</li> </ul>
<b>4. Contribution to projects led by others</b>		
POA 4.1	Electrification of the urban rail network and the purchase of electric trains	<ul style="list-style-type: none"> <li>• Installation of power supply catenary support masts during Christmas 2010 network shutdown commenced</li> <li>• Requests for Proposals to short-list of suppliers of electric trains released</li> </ul>
POA 4.2	SH 20 Waterview Connection	<ul style="list-style-type: none"> <li>• Direct assistance provided through membership of the procurement Steering Group for the Waterview Connection tunnels project.</li> <li>• Working with NZTA to agree issues around Great North Road Bus Lanes and Cycleway prior to hearing.</li> </ul>
POA 4.3	SH 1 Victoria Park Tunnel	<ul style="list-style-type: none"> <li>• Provision of advice and support</li> </ul>
POA 4.4	SH 1 Newmarket Viaduct	<ul style="list-style-type: none"> <li>• Provision of advice and support</li> </ul>
POA 4.5	SH 18 Hobsonville Deviation	<ul style="list-style-type: none"> <li>• Provision of advice and support</li> </ul>

<p>POA 4.6</p>	<p>Investigation and route protection for an additional Waitemata Harbour crossing, including rail</p>	<ul style="list-style-type: none"> <li>NZTA will be briefing Cabinet on work done to date and will be releasing the study after the briefing. AT will work with NZTA and AC to progress.</li> </ul>
<p>POA 4.7</p>	<p>Designation of Constellation to Albany busway extension</p>	<ul style="list-style-type: none"> <li>Project has been initiated by NZTA with AT participation.</li> </ul>

## 2. Key Performance Indicators

Performance measures are listed under the SOI. This section provides an update on:

- Results available for December 2010
- KPIs to be measured during next quarterly reports
- New baseline measures which are being developed

### A : KPIs for which December 2010 results available

Ref	Indicator	Performance target	Results for period	
KPI 1.1	Daily people flows, inbound in morning peak (7-9am), across Harbour Bridge	Car 16,440 PT 8,300 Total 24,740	Car 17,311 PT 11,881 Total 29,192	☺
KPI 2.1	Total public transport patronage (annual boardings for bus, rail and ferry)	62,808,000	63,541,152 (Year to Dec 2010)	☺
KPI 2.2.1	• Rapid Transit – Busway annual boardings	1,882,000	1,927,968 (Year to Dec 2010)	☺
KPI 2.2.2	• Rapid Transit – Rail annual boardings	9,164,000	9,106,370 (Year to Dec 2010)	☹
KPI 2.2.3	• Quality Transit and Local Connector buses annual boardings (including contracted school buses)	47,143,000	47,911,805 (Year to Dec 2010)	☺
KPI 2.2.4	• Ferries annual boardings	4,619,000	4,595,009 (Year to Dec 2010)	☹
KPI 2.3	Percentage of public transport passengers satisfied with their public transport service	87%	87% (October/November 2010 survey)	☺
KPI 5.6	Public transport subsidy per passenger kilometre	\$0.33	\$0.25	☺



**B: KPIs to be measured in Q3 or Q4**

Ref	Indicator	Performance target	Comment
KPI 3.1	Morning peak (7-9am) car trips avoided through TravelWise initiatives	10,000	To be surveyed in March
KPI 3.2	Walking trips into the CBD (inbound pedestrian counts) in morning peak (7-9am)	4,490	To be surveyed in March
KPI 3.3	Cycle trips into the CBD (inbound cycle counts) in morning peak	890	To be surveyed in March
KPI 4.1	Percentage of public transport passengers with access to real time service information	>65%	To be surveyed in May
KPI 5.5	Percentage of drivers complying with parking restrictions	81%	To be surveyed early 2011

**C: KPIs for which baseline measures need to be developed**

The following KPIs had a performance target in the 2010/11 SOI to establish a baseline measure by 30/6/11. Development of these baseline measures is underway. Where possible, these measures will be incorporated into the Draft 2011/12 SOI.

Ref	KPI
KPI 1.2	Daily people flows on other key routes
KPI 1.3	<b>For arterials with a general vehicle emphasis:</b> Travel times (minutes) along strategically important vehicle routes during the morning peak:
	• Airport to CBD via Manukau Road
	• St Lukes to St Johns via St Lukes Road/Greenlane/Remuera Road
	• Albany to Birkenhead via Glenfield Road
	• Henderson to CBD via Great North Road
KPI 1.5	Traffic signal coordination on key arterial routes
KPI 1.6	<b>For arterials with a freight emphasis:</b> Travel times (minutes) along strategically important freight routes during the interpeak (9am-4pm):
	• Nielson Street (from SH 20 to SH 1)
	• SEART (from Sylvia Park to East Tamaki)
	• Wairau Rd (from SH1 to SH18)
	• Harris Road from East Tamaki to SH1 Highbrook interchange
KPI 1.7	For all local roads: Crash reductions associated with completed transport projects
KPI 4.2	Percentage of arterial road network for which real time travel or congestion

	information is publicly available
KPI 5.1	Percentage of residents satisfied with the quality of roads
KPI 5.2	Road maintenance standards (ride quality) as measured by smooth travel exposure for all sealed roads
KPI 5.3	Percentage of residents satisfied with the quality of footpaths
KPI 5.4	Customer service enquiries resolved within standard timeframes

The intention is that future performance reporting will include graphical presentation of results achieved as a history of results achieved is developed.

### 3. Financial Information

The external audits for the terminating entities for the period ended 31 October 2010 are yet to be finalised and hence the financial information presented here includes a “draft” opening position for Auckland Transport which could well change.

Auckland Transport has implemented a new financial system from 1 November 2010. The complexity of the system migration work has led to some delays and backlog in processing. These are being addressed and expected to be largely resolved by the end of January 2011. The impact on the financial results for the two months ended 31 December 2010 is that its expenditure is expected to be understated and parking enforcement revenue overstated.

#### Statement of Financial Performance for the two months ended 31 December 2010

	Actual 2 months 31 Dec 2010 \$000	Plan 8 months 30 June 2011 \$000
<b>Income</b>		
<u>Operating income</u>		
Auckland Council funding	35,125	140,498
NZ Transport Agency	23,998	127,747
Parking and enforcement income	13,977	49,826
Public transport income	5,518	22,359
Other grants and subsidies	2,399	7,128
	81,017	347,558
<u>Income for capital projects</u>		
NZ Transport Agency	19,718	133,570
Auckland Council funding	2,574	10,294
	22,292	143,864
<b>Total income</b>	<b>103,309</b>	<b>491,422</b>
<b>Expenditure</b>		
Personnel costs	11,818	51,917
Depreciation and amortisation expense	35,163	140,714
Other expenses	53,985	295,641
<b>Total operating expenditure</b>	<b>100,966</b>	<b>488,272</b>
<b>Operating surplus (deficit)</b>	<b>2,343</b>	<b>3,150</b>

## Summary capital expenditure for the two months ended 31 December

	Actual 2 months 31 Dec 2010 \$000	Plan 8 months 30 June 2011 \$000
<b>New capital expenditure</b>	27,713	307,880
<b>Renewal capital expenditure</b>	32,488	130,135
<b>Total direct capital</b>	<b>60,201</b>	<b>438,015</b>
<b>Total capital</b>	<b>60,201</b>	<b>438,015</b>
<b>Funding</b>		
NZTA - new capital	11,026	91,538
NZTA - renewal capital	8,692	42,032
Auckland Council	40,483	304,445
<b>Total funding</b>	<b>60,201</b>	<b>438,015</b>

## New capital expenditure - highlighting projects greater than \$5m budget

	Actual 2 months 31 Dec 2010 \$000	Plan 8 months 30 June 2011 \$000
<b>New capital expenditure - projects &gt; \$5m budget</b>		
New Lynn TOD project	4,392	47,750
AIFS project management	7,833	14,800
Weiti toll road	56	12,950
Manukau city rail link	86	10,004
NorSGA Massey Nth Westgate	192	9,933
AMETI - Land (wider project)	0	9,718
Land Acquisition SH16 and Hobsonville	0	9,447
Real Time Passenger Information system	194	8,905
Distributed Stabling - detailed design	99	8,860
NorSGA Hobsonville TC Inds Prec	2	8,318
AMETI - Panmure Corridor Package 1	629	6,963
Busway - Westlake station land	-	5,006
<b>Total projects &gt; \$5m</b>	<b>13,483</b>	<b>152,654</b>
Other projects < \$5m	14,230	155,226
<b>Total new capital expenditure</b>	<b>27,713</b>	<b>307,880</b>

## Statement of Financial Position As at 31 December 2010

	Actual 31 Dec 2010 \$000	Plan 30 June 2011 \$000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,703	7,239
Trade and other receivables	84,702	75,153
Inventories	5,859	-
<b>Total current assets</b>	<b>93,264</b>	<b>82,392</b>
<b>Non-current assets</b>		
Property, plant and equipment - assets	11,402,970	11,995,392
Property, plant and equipment - work-in-progress	273,743	-
Intangible assets	21,360	21,542
<b>Total non-current assets</b>	<b>11,698,073</b>	<b>12,016,934</b>
<b>Total assets</b>	<b>11,791,337</b>	<b>12,099,326</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	147,767	95,444
Employee benefit liabilities	8,581	-
Other liabilities	6,368	13,935
<b>Total current liabilities</b>	<b>162,716</b>	<b>109,379</b>
<b>Non-current liabilities</b>		
Other liabilities	3,987	4,966
Deferred tax liability	7,560	-
<b>Total non-current liabilities</b>	<b>11,547</b>	<b>4,966</b>
<b>Total liabilities</b>	<b>174,263</b>	<b>114,345</b>
<b>Equity</b>		
Contributed equity	11,271,892	11,766,718
Retained earnings	2,343	3,150
Reserves	342,839	215,113
<b>Total equity</b>	<b>11,617,074</b>	<b>11,984,981</b>

## Statement of Cash Flows for the two months ended 31 December 2010

It is important to note that the cash flow information presented here is based on actual cash flows that have occurred during the period. This will vary from the Statement of Financial Performance which includes accruals. The Plan numbers are those included in the Auckland Council Planning Document which was presented at a more summarised level.

	Actual 2 months 31 Dec 2010 \$000	Plan 8 months 30 June 2011 \$000
<b>Cash flows from operating activities</b>		
<b>Cash provided from:</b>		
Funding from Auckland Council	25,000	445,239
Income from activities	18,295	207,059
Interest received	52	-
Operating grants and subsidies (mainly NZTA)	30,192	-
Receipts from other revenue	7,202	-
Goods and services tax (net)	3,694	-
<b>Total cash provided</b>	<b>84,435</b>	<b>652,298</b>
<b>Cash applied to:</b>		
Payments to suppliers, employees and directors	64,766	347,557
<b>Total cash applied</b>	<b>64,766</b>	<b>347,557</b>
<b>Net cash from operating activities</b>	<b>19,669</b>	<b>304,741</b>
<b>Cash flows from investing activities</b>		
<b>Cash provided from:</b>		
Capital grants and subsidies	6,310	133,571
<b>Total cash provided</b>	<b>6,310</b>	<b>133,571</b>
<b>Cash applied to:</b>		
Purchase of property, plant and equipment	23,276	438,312
<b>Total cash applied</b>	<b>23,276</b>	<b>438,312</b>
<b>Net cash from investing activities</b>	<b>(16,966)</b>	<b>(304,741)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2,703</b>	<b>-</b>
Opening cash balance	-	-
<b>Closing cash balance</b>	<b>2,703</b>	<b>-</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

## Recommendation

That this Half year Report be approved by the Auckland Transport Board for submission to the Auckland Council

<b>WRITTEN BY</b>	Jenny Livschitz <b>Manager Financial Reporting</b>	
<b>RECOMMENDED by</b>	Stephen Smith <b>Manager Finance</b>	
<b>APPROVED FOR SUBMISSION by</b>	Dave Foster <b>Chief Financial Officer</b>	