

# ARTA Half Year Report

1 July 2009 to 31 Dec 2009



Auckland Regional  
Transport Authority

## TABLE OF CONTENTS

<b>1</b>	<b>Summary and Highlights</b> .....	<b>1</b>
<b>2</b>	<b>Passenger Transport Patronage</b> .....	<b>1</b>
2.1	Overall Patronage Trends .....	4
2.3	Rapid Transit Network Patronage .....	5
<b>3</b>	<b>Customer Satisfaction</b> .....	<b>11</b>
3.1	Satisfaction with PT services.....	11
3.2	Rapid Transit stop/stations and vehicles .....	12
<b>4</b>	<b>Rail Upgrade - progress</b> .....	<b>13</b>
4.1	Rail reliability and punctuality .....	14
<b>5</b>	<b>Progress against ARTA's Programme of Action</b> .....	<b>16</b>
<b>6</b>	<b>Summary of Activities – Strategic planning</b> .....	<b>20</b>
<b>7</b>	<b>Summary of Activities - Operational Services</b> .....	<b>21</b>
<b>8</b>	<b>Financial Reports</b> .....	<b>22</b>
8.1	Income Statement.....	22
8.2	Statement of Financial Position.....	23
8.3	Statement of Cash Flows .....	24
8.4	Capital Statement .....	25
8.5	Summary of Financial Performance for 6 months to December 2009.....	26

# 1 Summary and Highlights

## Record numbers of Aucklanders get on board public transport

The end of 2009 was a point at which ARTA could say with confidence that regional and central government funding support, strategic planning, greater operational effectiveness and much improved customer information among other initiatives, was repaying dividends in respect of the development of Auckland's public transport system.

In 2009, public transport patronage usage reached its highest level for twenty five years with 8% growth in just one year.

Breaking this success down:

## Rail patronage well above SOI

Rail patronage for the half year was well above the SOI target with 6.2% growth on the Western Line (target 5.5%) and 9.5% growth on the Southern Line (target 9.0%). These results were achieved in spite of considerable disruption to services due to ongoing major works on the rail network which is testament to tight contract management resulting in focused effort by Veolia Transport.

## Strong growth in ferries

Patronage on ferry services grew strongly during the half year, achieving 6.1% growth against a target of 0.5%. Contributing factors in this success include a targeted ferry marketing campaign by ARTA in October and November and growth in the Devonport and Waiheke island commercial services due in part to SuperGold card travel.

## Bus patronage recovers in December 2009

Bus patronage for the half year was impacted by the long running NZ Bus dispute with particular impacts felt in October and November. NZ Bus carries 58% of all public transport trips in Auckland. However by December, customer confidence had returned with bus patronage recovering to the good levels of December 2008. It should be noted that had the bus strike not occurred, we would be on track to achieve ARTA's SOI target of 60.972 million boardings for the period.

## Better facilities for customers

Twenty two of the forty one train stations on Auckland's rail network have now been redeveloped with the second largest station, currently on the network- Newmarket train station completed on time and to deadline by the end of December 2009.

The coming year sees intense activity by ARTA on the rail network with new rail stations opening at Grafton, Onehunga and New Lynn.



## New Zealand's first multi-modal Integrated Ticket on its way

In December 2009, a milestone was reached when ARTA signed a contract with Thales to supply Auckland's Integrated Ticket. Work is now well on the way to supply New Zealand and Auckland's first multi modal integrated ticket.



## **Electrification gets the nod**

The Minister of Transport gave the nod to funding for Auckland's long awaited electrification project, for which ARTA and the ARC have been strong proponents. ARTA will be working with KiwiRail in its issue of a Request for Tender for Auckland's electric trains.

## **It's all about the customer**

The highest rating yet recorded for customer's satisfaction with bus train and ferry services was achieved in this half year, with a record 88% rating Auckland's public transport services as good, very good or excellent. This level was achieved despite major construction works affecting many of the high usage train stations- Newmarket and New Lynn- on the rail network and is testament to effective planning, operational management and better marketing of services.

## 2 Passenger Transport Patronage

### 2.1 Overall Patronage Trends

Total public transport patronage has increased by 0.4% or 107,380 boardings, against a target set in the Statement of Intent of 4% for the full year 2009/10.

The gap between actual patronage growth and the SOI target is due almost entirely to the NZ Bus industrial dispute in October. The direct impact of this disruption was a loss of an estimated 978,000 passengers from bus, school bus and ferry services in the month of October 2010. Without this disruption, patronage growth to December would have been 3.7%, which would be sufficient to achieve the annual 4% target once the impacts of planned improvements in the second half of 2009/10, including the opening of Newmarket Station, are taken into account.

Patronage growth on the Northern Express is 19.5% against the annual target of 15%.

Rail patronage is also above target, patronage on the Western Line was up by 6.2% against a target of 5.5%, and growth on the Southern Line was 9.5% against a target of 9%.

Ferry services are also exceeding growth forecasts, due to growth in the Devonport and Waiheke Island commercial services and an ARTA promotion in October and November offering a free trial to inner harbour residents.

Patronage on ARTA school bus service contracts is significantly lower than forecast. While some of this is due to the disruption of services in October, this accounts for only around half of the observed patronage decline. More detail on school services is provided at the end of Section 2.

Performance Measure	2009/10 Target	Year to date result	% change from 2008/09	# change from 2008/09
Total PT patronage increases by 4%	60,972,000 passenger boardings Increase of 2,351,000 = 4.0%	29,138,438	0.4%	107,380
Northern Express patronage	1,724,000 passenger boardings Increase of 224,000 = 15%	847,932	19.5%	138,508
Western Rail Line patronage	2,858,000 passenger boardings Increase of 149,000 = 5.5%	1,485,605	6.2%	86,148
Southern & Eastern Rail Lines patronage	5,387,000 passenger boardings Increase of 446,000 = 9.0%	2,643,630	9.5%	229,937
Patronage on all other bus services	43,966,000 passenger boardings Increase of 1,485,000 = 3.5%	20,829,886	-1.7%	-366,105
Patronage on ferry services	4,396,000 passenger boardings Increase of 21,000 = 0.5%	2,155,646	6.1%	123,207
Patronage on school bus services	2,641,000 passenger boardings Increase of 26,000 = 1%	1,175,739	-8.1%	-104,315

## 2.3 Rapid Transit Network Patronage

The Rapid Transit Network carried 4,977,167 trips in the year to date, which is an increase of 10.1% (454,593 boardings) against the SOI target of 9.0% growth.

Performance Measure	2009/10 Target	Year to date result	% change from 2008/09	# change from 2008/09
Northern Express patronage	1,724,000 passenger boardings Increase of 224,000 = 15%	847,932	19.5%	138,508
Western Rail Line patronage	2,858,000 passenger boardings Increase of 149,000 = 5.5%	1,485,605	6.2%	86,148
Southern & Eastern Rail Lines patronage	5,387,000 passenger boardings Increase of 446,000 = 9.0%	2,643,630	9.5%	229,937
<b>RTN total</b>	9,969,000 trips on the Rapid Transit Network. Increase of 819,000 = 9.0%	<b>4,977,167</b>	<b>10.1%</b>	<b>454,593</b>

Patronage on the Rapid Transit Network is expected to grow even more rapidly during the third and fourth quarters of 2009/10 due to the impact of rail station upgrades, especially the opening of Newmarket Station in early 2010, and increased reliability due to improvements to rail tracks and signalling systems. Rail service improvements planned for early 2010 have now been postponed to July 2010, for reasons set out in Section 4 of this report.



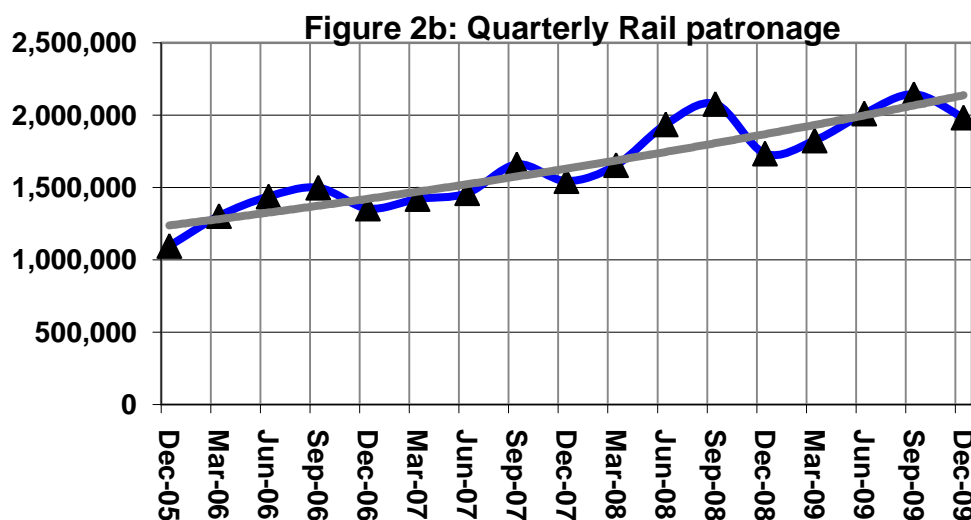
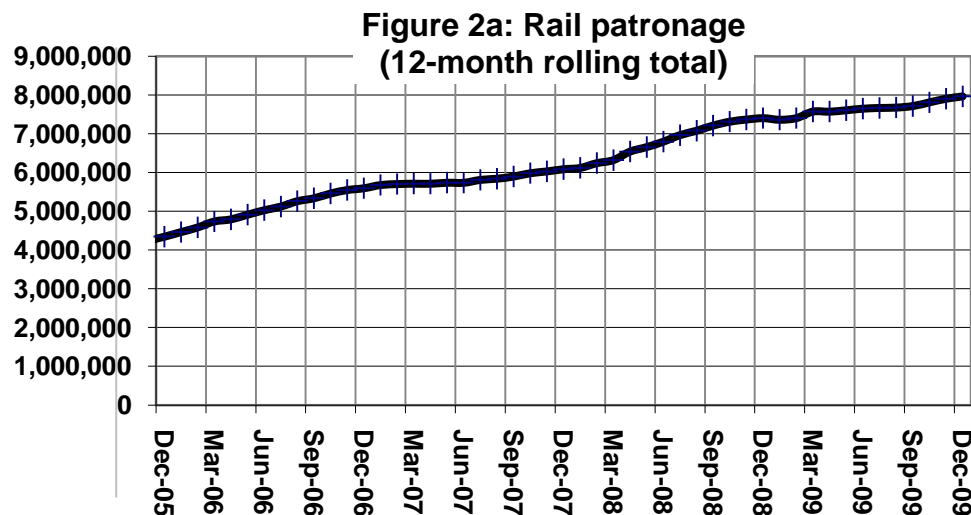
## Rail Patronage

The Western Rail Line has seen an increase in patronage of 6.2 % against an annual average growth target of 5.5%. This result is particularly good in the context of ongoing major construction works at Newmarket, Grafton, Avondale and New Lynn, necessitating frequent block of lines over weekends, and also impacting on punctuality and reliability due to infrastructure track speed restrictions.

Eastern & Southern Line rail has seen a 9.5% growth over the first half of the 2009/10 year against an annual average growth target of 9%.

At least some of the growth in rail appears to be due to people shifting from bus during the industrial dispute in October, and then continuing to travel by rail after bus services resumed. Rail patronage growth in the second quarter of 2009/10 was 14% overall, while growth in the first quarter was only 3%.

Even greater growth is expected in the second half of the year due to the opening of Newmarket Station, and associated promotions, supported by the ongoing increase in peak capacity with the arrival of more SA trains and carriages.

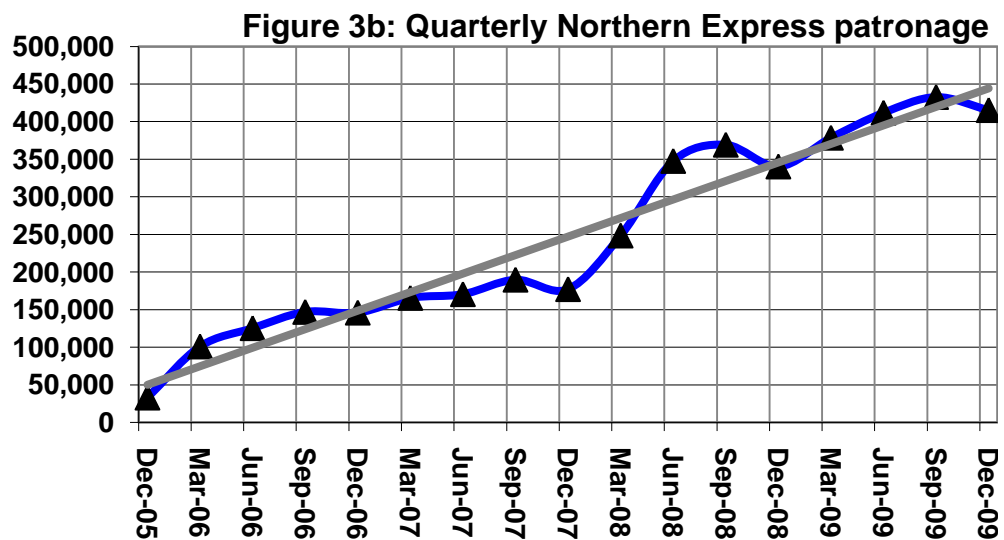
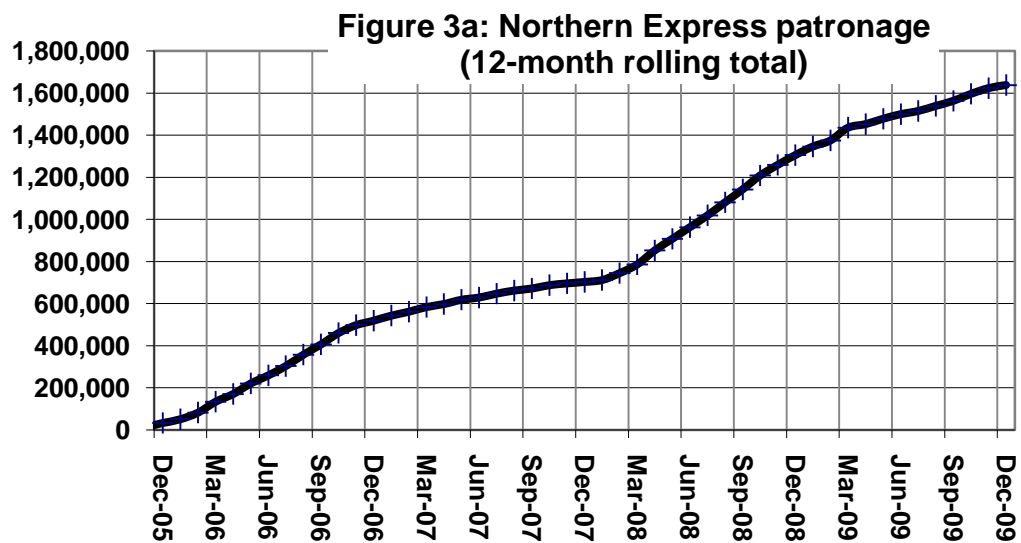




## Northern Express Patronage

Patronage growth on the Northern Express is 19.5% against the annual target of 15%. Increased evening services were provided from October 2009. Adding further capacity at peak times is difficult as it necessitates the purchase of new vehicles which are then not fully utilised. ARTA's focus for peak travel is on ensuring that customers are aware that they can board a range of services to experience the advantages of Busway travel, not just the branded Northern Express buses.

ARTA is planning significant promotions in the new tertiary year 2010 which are expected to drive further growth in this popular service.



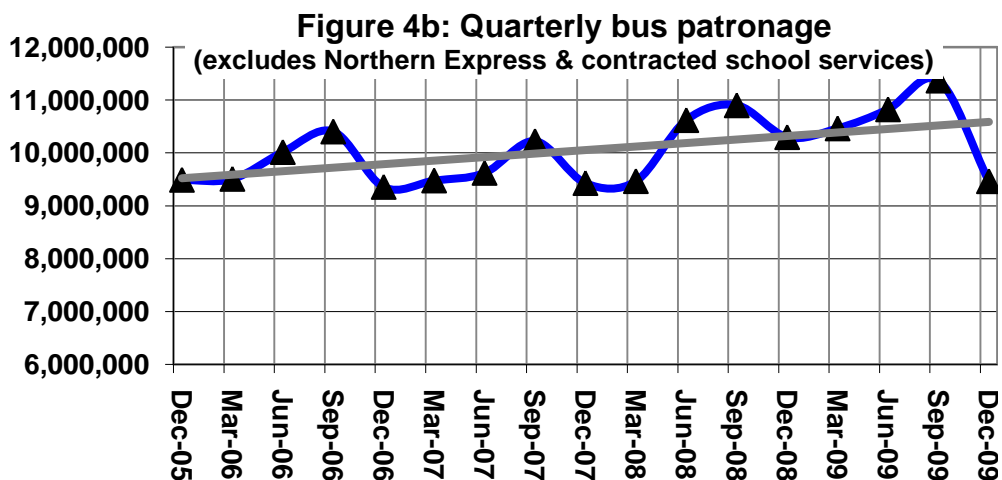
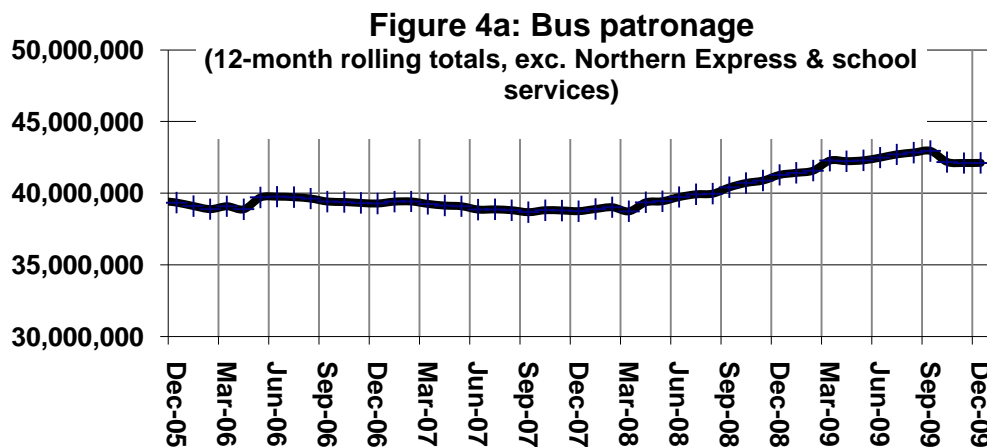
## Bus Patronage

As noted earlier in this report, the impacts of 3.6% growth on bus services in the first quarter of 2008/09 was cancelled out by the effect of the NZ Bus industrial dispute in October 2009. NZ Bus carries 58% of all public transport trips in Auckland. Patronage on bus services (excluding the Northern Express and contracted school services) to the end of December was down 1.7%, a decline of 366,105 passengers.

As well as the direct loss of customers from disrupted services, it is to be expected that there would be an ongoing impact on patronage. This was evident in the month of November, with bus patronage 2% lower than in November 2008 – note that the agreement between the company and drivers was not signed until the end of November, so there is a strong possibility that passengers felt unable to rely on continuity of service. By December bus patronage was clearly recovering and was only just (0.3%) below December 2008.

The Airbus Express became Auckland's first frequent 24-hour bus service, with half-hourly services through the night added to the timetable from November 2009, in addition to the 15-minute service provided during the day. Airbus patronage has increased 27.7% relative to the first six months of 2008/09.

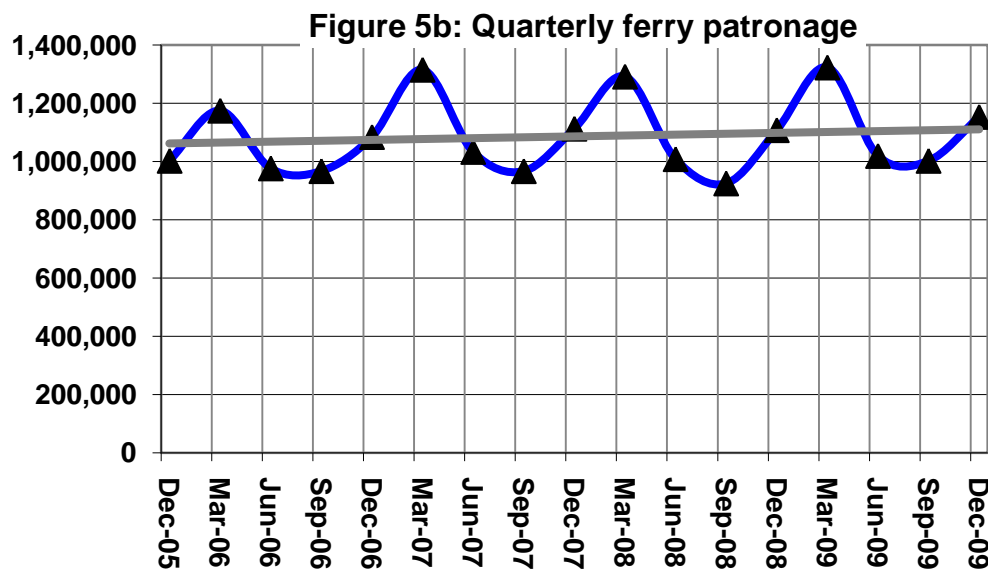
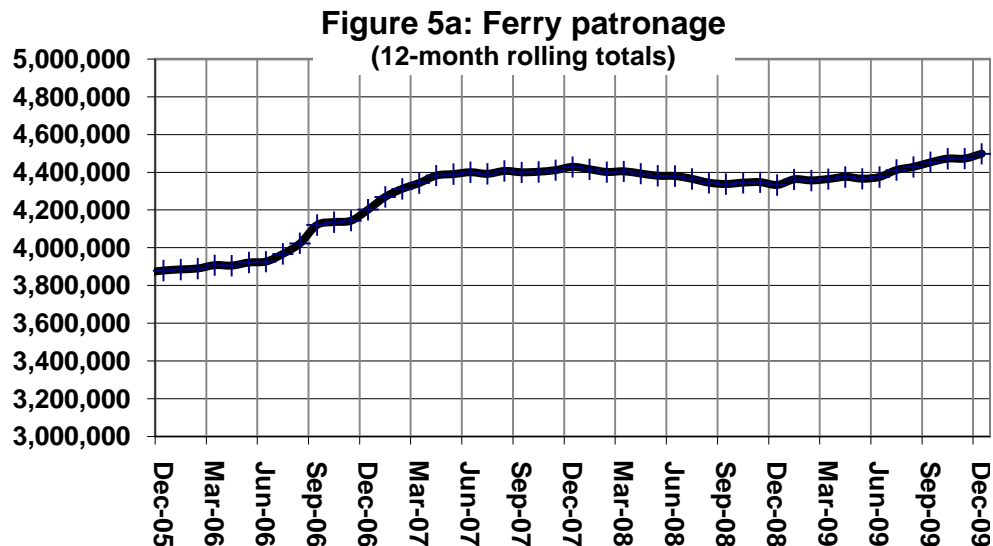
Consultation is complete on proposed service changes in Northwest Rodney and Waitakere and detailed planning is underway for improvements to be implemented early 2010. I



## Ferry Patronage

Ferry patronage grew by 6.1% (123,207 additional boardings) relative to the six months to December 2008.

The majority of this growth has been on the Devonport and Waiheke Island commercial services. For both services, Fullers considers this to be partly due to increased tourism and SuperGold Card travel compared to the same period last year. A major ferry promotion in the September quarter also contributed to patronage growth.



## School Bus service patronage

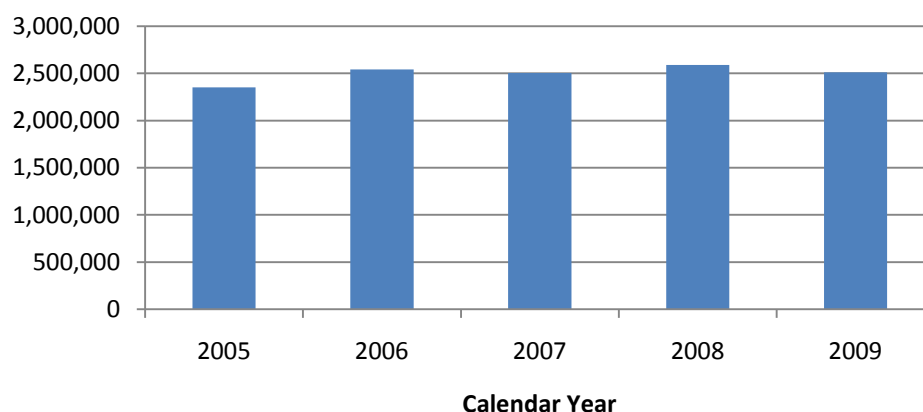
In the six months to December 2009, patronage on ARTA-contracted school bus services declined by 8.1% or 104,315 trips. Only around half of this is the direct impact of the NZ Bus industrial dispute; declining school bus patronage was evident already in first quarter of 2009/10.

Monthly and quarterly comparisons of school bus travel can be misleading as the number of school days varies; calendar years provide a better basis for comparison. Comparing calendar years, patronage on ARTA-contracted school bus services has been relatively constant since 2006. There was a 3% decline in patronage in the calendar year 2009, cancelling out the impact of a 3% increase in 2008, as shown in Figure 6a.

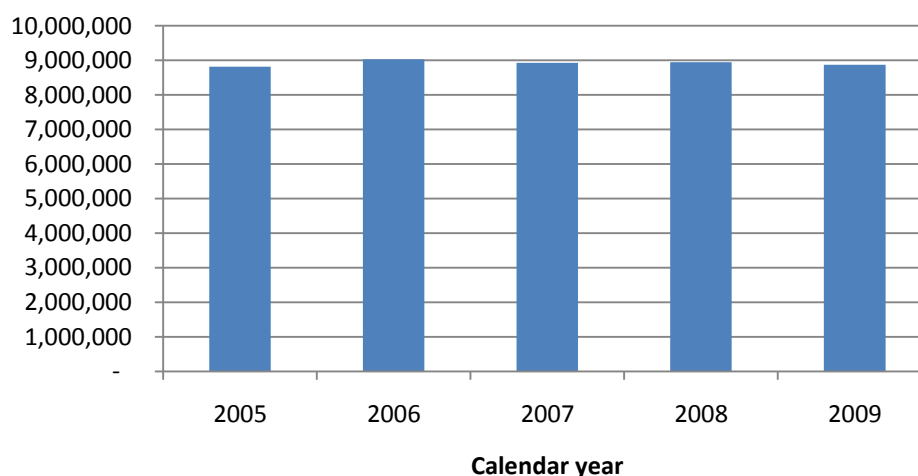
Travel on ARTA-contracted school buses makes up about a quarter of all PT travel by children. Figure 6b shows all PT travel on child fare concessions and again shows a relatively constant trend with a slight decline (0.8%) in the calendar year 2009.

The reasons behind this trend are not yet clear. Analysis of the TravelWise Schools programme for 2009 shows increases in walking and cycling which may have had some impact on school bus patronage. A further update on the TravelWise Schools programme will be available for the March quarterly report and will include more detailed analysis of PT use for the journey to school.

**Figure 6a - Patronage on ARTA-contracted school buses**



**Figure 6b - All PT travel on Child fare concessions**

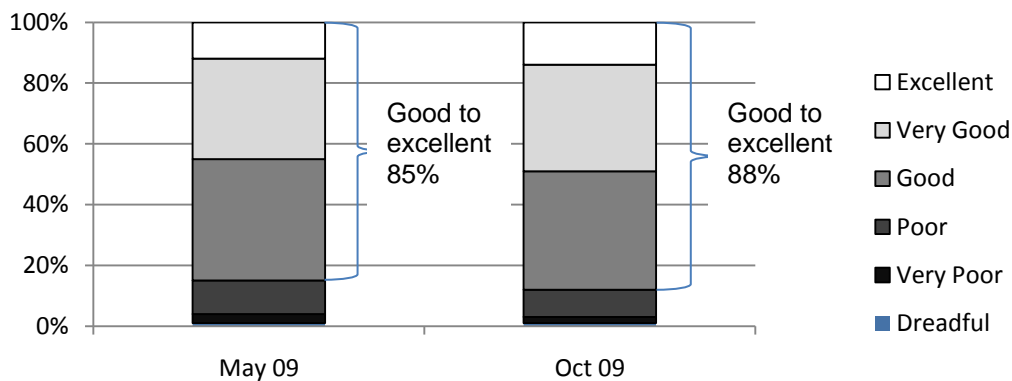


### 3 Customer Satisfaction

#### 3.1 Satisfaction with PT services

Customers participating in ARTA’s twice-yearly customer satisfaction survey this October gave the highest rating yet recorded for satisfaction with bus, train and ferry services. 88% of customers rated the service as good, very good or excellent. The increase in satisfaction is statistically significant and relates to an increased proportion of customers rating their service as “excellent” and a corresponding decrease in customers rating the service they use as “poor”, as shown in Figure 7 below.

**Figure 7 – Customer satisfaction with bus, rail and ferry services**



This result continues a trend of increasing customer satisfaction which is evident from 2007/08, and exceeds the target of 80% set in ARTA’s Statement of Intent. There has also been a statistically significant increase in the proportion of customers who rate value for money of their public transport service as good or better - this is a key driver of public transport use and of likelihood to recommend the public transport service to others.

		06/07 result	07/08 result	08/09 result	Oct 09 result	09/10 SOI target
Overall Customer satisfaction scores for RTN, QTN and Local Connector Network (LCN). Total of Good, Very good, or Excellent .	Maintain overall customer satisfaction above 80%	81%	81%	85%	88%	Above 80%
	RTN satisfaction above 85%	84%	85%	85%	88%	Above 85%
	QTN satisfaction above 80%	80%	78%	83%	88%	Above 80%
	LCN satisfaction above 80%	81%	81%	87%	87%	Above 80%
Customer rating of value for money of travelling by passenger transport in Auckland	Increase proportion of customers who rate value for money as good, very good or excellent	63%	64%	70%	72%	68%

Source: on-board survey of 3,727 bus, train and ferry passengers, conducted by Gravitas Research in October 2009.

### 3.2 Rapid Transit stop/stations and vehicles

Customer support for the ongoing upgrade of the rail network, and the quality of Northern Busway stations and vehicles, is shown in improved ratings for these factors in the customer survey. ARTA set a target for the year of 80% satisfaction of RTN customers with stops and stations because of the anticipated customer impact of major construction works at many of Auckland's busiest rail stations. The result of 91% satisfaction recorded in the October survey – in the middle of many of these construction projects – is very pleasing.

		06/07 result	07/08 result	08/09 result	Oct 09 result	09/10 SOI target
Customer satisfaction scores for Rapid and Quality Transit Networks (RTN and QTN) stops/stations and vehicles	80% of RTN customers rate stops/stations as good, very good or excellent	79%	82%	90%	91%	Above 80%
	90% of RTN customers rate vehicles as good, very good or excellent	94%	93%	94%	97%	Above 85%

Source: on-board survey of 3,727 bus, train and ferry passengers, conducted by Gravitass Research in October 2009.

## 4 Rail Upgrade - progress

Significant progress was made during the first half of 2009/10 on key elements of the Auckland rail network upgrade, to enable 10-minute frequencies across the core network by 2011, and support the electrification of the network by 2013. Key milestones during this period were:

- ARTA's Newmarket Station works were completed, and the station was officially opened on 14 January 2010, with services commencing 18 January.
- The Minister of Transport announced on 25 November that Cabinet had approved a funding package of \$500 million for the purchase of new electric trains for the Auckland network. The procurement process for these trains is underway and the first electric trains will be operational in 2013.
- A contract to build the overhead electric wires for the electrified network was awarded by KiwiRail in January 2009.

This year there was a longer than usual Xmas shut down; the Western Line and the Southern Line to Otahuhu were shut down from 25 December to 18 January, and the Eastern Line from Dec 25<sup>th</sup> to Jan 4<sup>th</sup>. The following works took place during the shutdown period:

- Newmarket Station was completed
- Multiple works at Grafton and New Lynn
- Track lowering/bridge works for electrification – Parnell tunnel, Sandringham Rd, Mt Eden Rd, St Mark's Rd, Railway Lane
- Westfield Junction was removed and replaced
- ARTA works commenced at Kingsland to lift tracks, build the pedestrian underpass and widen platforms in preparation for the Rugby World Cup

The following ARTA station upgrade projects are proceeding to schedule:

- New Lynn – this major project is delivered by KiwiRail, ARTA and Waitakere City Council and involves trenching of 1.5 km of rail line and construction of road bridges, an underground station and a rail/bus interchange. The rail station is due to open in September 2010.
- Avondale – ARTA construction works are underway and the station is due to open by end of June 2010.
- Kingsland– ARTA works are underway as part of an integrated package of works delivered by ARTA and Auckland City to provide better walking, bus and rail access to Eden Park and to improve vehicle safety. The rail station works are due for completion in April 2010.
- Grafton – a new underground rail station, with links to the Central Connector, will open in April 2010
- Onehunga – construction of the Onehunga stations is progressing well, but delays in the installation of signalling and level crossing infrastructure by ONTRACK has meant that services will now commence in July 2010
- Manukau – construction of the rail link by ONTRACK is underway and the first station works are due to commence within 2009/10



## 4.1 Rail reliability and punctuality

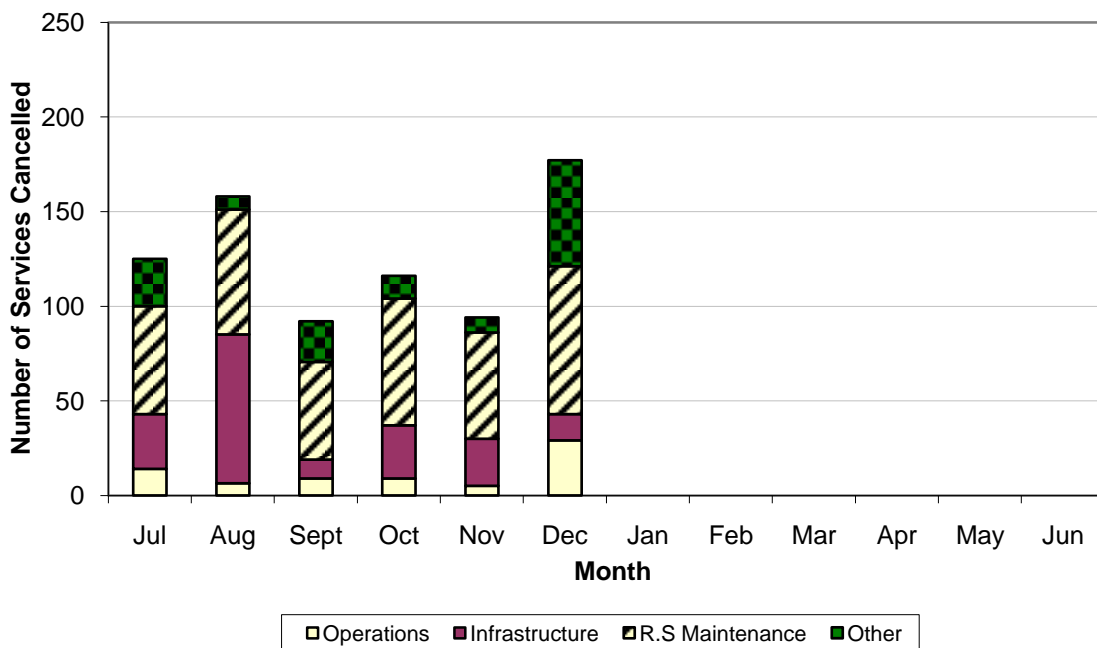
### Reliability (delivery of scheduled services)

762 rail services were cancelled in the six months to end December 2009, of 38,374 scheduled services. This gives a reliability of 98%, which is slightly higher than the reliability of rail services in the 2008/09 year of 97.3%.

Rolling stock maintenance issues are responsible for half (49%) of all cancellations. Delays due to infrastructure issues (tracks and signalling) appear to be declining as the rail upgrade progresses, with 185 services cancelled due to track and signalling issues in the six months to December 2009, compared with 357 over the same period in 2008. Delays in the “other” category tend to be one-off incidents that are difficult to predict or control; for example trackside fires between Te Mahia and Takanini caused 18 train services to be cancelled in December 2009, and a fatality at Takanini also led to a number of service cancellations.

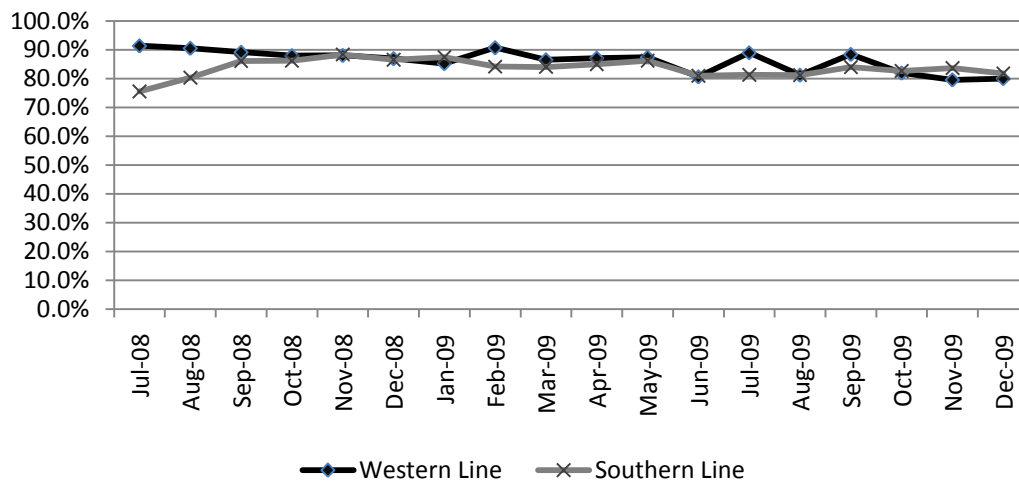
In December, there was an increase in “Operations” service cancellations due to a Signal Passed at Danger, however no safety concerns have been raised.

**Figure 8 - Service cancellations 2009/10**



## Punctuality (on time performance)

**Figure 9 - Services operating within 5 minutes of schedule**



83% of rail services which operated in the six months to December 2009 were on time, defined as being within 5 minutes of schedule. The Western Line had lower punctuality than the Southern Line, due to the greater impact of infrastructure works on Western Line trains. The remaining sections of single track line, and issues with crossovers and signalling systems, affect the ability to recover from delays and mean that a single issue can have flow-on impacts on multiple services. Punctuality is therefore expected to improve once double tracking of the Western Line is complete and the new signalling system is fully operational.

## 5 Progress against ARTA's Programme of Action

ARTA's Statement of Intent, agreed with the ARC, sets out a three-year Programme of Action to improve Auckland public transport. Progress against this Programme of Action is updated below.

Programme of Action	Update as at 30 December 09
<p>Purchase of interim diesel rolling stock to meet patronage demand until the arrival of electric trains</p>	<p><b>Interim Rolling Stock SA Trainsets 18-23</b>            Trainsets 18 and 19 are in service, and Trainset 20 is being used for maintenance cover. With the deferral of service enhancements due to NZTA funding, the opportunity has been taken to accelerate maintenance of older rolling stock with SA 21 to 23 on call for cover.</p> <p>The leasing of motive power for these trainsets is still being negotiated with KiwiRail – revised dates for locomotives to enter service, and lease rates being the key variables.</p>
<p>Construction of stabling facilities required to house the new rolling stock</p>	<p><b>Distributed Stabling (DART 17)</b>  <b>Strand/Tamaki Drive</b></p> <p>Following discussions with ARTA, ONTRACK and KiwiRail a brief for approval by the parties is being prepared for development of distributed stabling facilities incorporating multiple locations across the Strand and Tamaki sites. These stabling sites are expected to progressively be available for operational use towards the end of 2010 as new signalling is commissioned by ONTRACK.</p> <p><b>Western Line Site Henderson (formally Railside Avenue)</b></p> <p>Physical works have begun, with the corridor section of work successfully completed during the Christmas block of line. Work has now begun on the remainder of the site and is tracking to meet the required delivery date in mid-May.</p>
<p>Complete Newmarket Station, to open Jan 2010</p>	<p>Newmarket Station opened for services on 18 January 2010</p>
<p>Complete New Lynn, Grafton and Avondale Stations;</p>	<p><b>New Lynn station</b> - The first train will use the new trench on 3 March 2010. Trains in both directions will use the trench from June 2010. New Lynn station will open for passenger services in late Aug 2010.</p> <p>Grafton – Construction will be complete and station will open April 2010.</p> <p>Avondale Station – Station construction complete and open late June 2010.</p>
<p>Upgrade Kingsland station and improve connections to Eden Park;</p>	<p>Kingsland Station construction will be completed July 2010</p>

Programme of Action	Update as at 30 December 09
Construct stations on the Onehunga line, and provide a half-hourly train service to Onehunga at peak times;	Construction completion for Onehunga line platforms is July 2010
Construct a new major station at Manukau City, and provide train services to Manukau, subject to completion of the Manukau Link rail track by ONTRACK.	Planned construction completion for Manukau station is mid 2011
Additional peak capacity on Southern and Eastern lines from 2009/10	<p>Minor increase in peak capacity provided on the Eastern Line in November 2009 with the introduction of SA19 into service.</p> <p>Timetable changes planned for February 2010 deferred to July 2010, as a result of non completion of Onehunga branch line works (level crossings and signalling) and NZTA funding review.</p>
Increased interpeak and late night services on all rail lines, staged across 3 years	Timetable changes planned for February 2010 deferred to July 2010, as a result of non completion of Onehunga branch line works (level crossings and signalling) and NZTA funding review.
10 minute peak services on the Western line from 2010/11	<p>10 minute services on the Western Line are dependent on the completion of remaining Western Line double tracking works, and also the completion of Quay Park Jn re-signalling works. Latest advice from KiwiRail (Network) is that Quay Park Jn works are now planned for in November 2010. All other Western Line works are on programme for delivery by June 2010.</p> <p>The introduction of 6 trains per hour in the peak on the Western Line is therefore scheduled for late November 2010.</p>

<b>Ferry PoA</b>	
Complete renewal works and passenger facilities at the Downtown ferry terminal;	Good progress is continuing to be made on the renewal works. Pier 2 works have been completed, with the exception of the area located beneath the contractor's site area and the diesel tank. This has resulted in a significant reduction in the impact of noise on the businesses and restaurants located near Pier 2. Works are progressing well on Pier 1 moving from south to north resulting in further reductions to the impact of noise on businesses nearby. Works will be completed by mid-2010 as scheduled.
Contribute to a Hobsonville ferry terminal, and commence ferry services to Hobsonville (timing to be determined in consultation with the Hobsonville Land Company);	Hobsonville Ferry Terminal project completion planned for late 2011, although this date is under review by Hobsonville Land Company.
Construct improvements to Beach Haven ferry terminal in 2009/10.	This project is on hold due to funding constraints.
<b>Bus Programme of Action</b>	
Put in place a simpler, more effective network design for bus services in the Eastern, Western and Southern sectors;	Implementation of new North West Sector bus network (Massey, West Harbour, Hobsonville, Kumeu, Huapai and Helensville) now scheduled for April 2010. Consultation on revised services in the Great South Rd corridor (Pukekohe, Papakura, Manurewa, Otara) is scheduled for March 2010. Other projects for consultation later in 2010 include bus networks in the Mt Wellington and Mangere areas.
<b>Multimodal</b>	
Prepare and implement a Regional Public Transport Plan under new legislation, including changes to bus contracts to achieve better value for money and integration of the overall public transport system.	Consultation on the draft Regional Public Transport Plan closed with over 40 submissions received. Hearing on the submissions will be held in February 2010.
Implement an integrated ticket on bus, rail and ferry services;	ARTA has entered into a contract with a consortium led by Thales to implement New Zealand's first, true multi-modal transport ticket. Thales' strategic partner Octopus, creator of Hong Kong's leading contactless smart card payment system, will supply the core central clearing house system.

Multimodal cont'd	
<p>Improve scheduling and passenger information across bus, rail and ferry services;</p>	<p>ARTA has entered into a contract for supply of new Route Scheduler and Journey Planner software following ATA approval of the terms and conditions. Implementation of a development platform for data migration has commenced. Planning for migration of schedule data and design of the Journey Planner is under way.</p> <p>Finalisation of the tender process for a multi-modal Real Time passenger information system has been delayed while ARTA determines the cost / benefits of equipment re-use from the existing real time system.</p>
<p>Put in place consistent policy standards for CCTV at public transport interchanges, and upgrade CCTV at priority sites from 2010/11.</p>	<p>Policy standards development progressing.</p>

## 6 Summary of Activities – Strategic planning

**Lead implementation of the Auckland Regional Land Transport Strategy** by developing the Auckland Transport Plan, which brings all of the region’s transport programmes together in one place, and using planning and funding tools to ensure the plan is delivered.

The Regional Road Safety Plan 2009-2012 was completed, and the launch event was successfully held in August. The “Share the Road” safety campaign (a key action item identified in the Regional Road Safety Plan) was launched in November.

Submissions on the draft Regional Public Transport Plan (RPTP) closed on 24 December and hearings are underway in February 2010. The RPTP is a new document required under the Public Transport Management Act. It presents ARTA’s public transport policies and sets out proposals for service improvements. The RPTP will form the basis of public transport policy, service development and contracting activities in Auckland over the next few years.

Development of the preferred alignment and Notice of Requirement documentation for the CBD underground rail loop is underway. The project has entered the final stages of option identification, with a short list of alignment routes and station locations identified. Presentations to key stakeholders will be undertaken during the February Committee cycles.

NZTA is consulting on the draft Omnibus Rule 2009 which includes a proposal to allow the fitting of a bike rack to a bus. The proposed rule will allow buses not exceeding 13.5m to be fitted with bike racks. The bicycle rack will not be included in determining the overall length or forward distance of the bus. It is anticipated that if the rule change is agreed, it will come into effect on 1 April 2010.

The construction of two major walking and cycling projects are underway in the region. Firstly, NZTA has begun construction on the Kingsland section of the North Western Cycleway, one of the last missing sections of the SH16 North Western Cycleway. North Shore City Council is extending the off-road shared path that starts at the Westlake schools zone from Forrest Hill to Constellation Drive. The completed shared path will be 4.7km in length. Both are identified as high priority links on the Regional Cycle Network.

The regional ‘Share the Road’ cycle/motorist safety advertising campaign via bus-backs, motorway billboards and web-banners ran again in spring. The campaign aims to encourage both motorists and cyclists to show considerate and safe behaviour.

The annual regional road toll for the calendar year 2009 was 75. This is 21 more deaths than in 2008, with significant increases in road deaths in Waitakere, Rodney and North Shore City Council areas. Regional priorities for addressing the key road safety issues are set out in the Regional Road Safety Plan and include a greater emphasis on safety engineering, speed management, and reducing drink and drugged driving.

	RDC	NSCC	WCC	ACC	MCC	PDC	FDC	Region
Dec 09	16	6	15	10	15	1	12	75
Dec 08	9	4	3	7	20	2	9	54



## 7 Summary of Activities - Operational Services

**Deliver quality transport services that meet Aucklanders' expectations, within available funding** by researching customer requirements, designing and developing an integrated transport network that meets customer expectations, and implementing the network progressively within funding limits.

### Customer Information

Improvements to customer information systems were put in place to support an upgrade of the Maxx website in early 2010. Customers can also access real-time information via txt and this will be a feature of the Tertiary launch campaigns and High Frequency Corridor campaigns planned for early 2010.

### School Travel Planning

The gathering of quantitative data for this year's evaluation of the programme is nearing completion. The evaluation will be reported in full in the March quarter report. Results to date indicate that the programme is delivering well above target and that the reduction in car trips will be a significant improvement on last year's results.

New walking school buses are joining the programme at a consistent rate; ARTA forecasts that by the end of the financial year the number of walking school buses in the region will exceed 320.

A qualitative research project has been undertaken by Auckland University on ARTA's behalf and has found evidence that WSB children continue to use more sustainable form of transport as they progress through the school system in adulthood.

### Workplace Travel Planning

Auckland Airport won the EECA Award for the best transport energy efficiency project in New Zealand for the 2009 year.

The roll out of the new RidePro car pool software is progressing, with the system now in use at Auckland Airport, Rodney District Council and the Botany Town Centre.

## 8 Financial Reports

### 8.1 Income Statement

<b>Auckland Regional Transport Authority</b>					
<b>INCOME STATEMENT</b>					
NZD '000	YEAR END			FULL YEAR	
	December-09	Revised Budget	Actual	Variance Fav/(Unfav)	Revised Budget
<b>OPERATING REVENUE</b>					
ARC Opex Grants	46,645	44,719	(1,926)	95,600	102,393
NZTA Opex Grants	57,607	55,916	(1,691)	123,839	132,757
Other Grants and Subsidies	660	632	(28)	1,160	1,842
Rail Fare Revenue	9,479	9,706	227	19,714	19,957
Bus Fare Revenue	3,311	3,690	379	7,251	5,004
Ferry Wharf Revenue	1,167	1,164	(3)	1,982	2,054
Other Sundry Operating Income	65	77	12	12	12
<b>Total Operating Revenue</b>	<b>118,934</b>	<b>115,904</b>	<b>(3,030)</b>	<b>249,558</b>	<b>264,019</b>
<b>OPERATING EXPENDITURE</b>					
Human Resource	6,369	6,120	249	13,287	14,654
Prof Services - Project Delivery	939	370	569	2,165	2,147
Prof Services - Customer Services	4,355	3,268	1,087	8,400	10,393
Prof Services - Others	1,060	627	433	3,405	3,413
Support Services	1,380	1,375	5	2,763	2,766
Materials	154	59	95	330	345
Printing and Office Supplies	837	440	397	1,619	1,757
Repairs and Maintenance	685	635	50	1,457	961
Communications	130	108	22	289	386
Information Systems	503	265	238	1,011	1,378
Bus Contract	62,536	61,655	881	126,261	133,365
Rail Contract	34,339	33,575	764	70,802	81,935
Ferry Contract	2,991	2,938	53	6,182	6,020
Security	422	447	(25)	914	325
Advertising and Promotion	543	276	267	1,355	1,360
Other Expenditure	1,121	965	156	1,983	(79)
Depreciation	9,869	10,553	(684)	19,767	19,932
Investigations Expenditure	527	983	(456)	2,851	2,809
<b>Total Operating Expenditure</b>	<b>128,760</b>	<b>124,659</b>	<b>4,101</b>	<b>264,841</b>	<b>283,867</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(9,826)</b>	<b>(8,755)</b>	<b>1,071</b>	<b>(15,283)</b>	<b>(19,848)</b>

## 8.2 Statement of Financial Position

Statement of Financial Position									
As at 31 December 2009									
	ARTA					ARTA			
	Jun-09 \$000s	Dec-09 \$000s	Jun-09 \$000s	Movement \$000s		Jun-09 \$000s	Dec-09 \$000s	Jun-09 \$000s	Movement \$000s
<b>Liabilities</b>					<b>Assets</b>				
<b>Current Liabilities</b>					<b>Current assets</b>				
Trade payables	7,036	7,228	7,036	192	Cash and cash equivalents	105	72	105	(33)
GST payable	0	0	0	0	Trade receivables	554	606	554	52
Employee benefit liabilities	1,025	690	1,025	(335)	GST receivable	494	165	494	(329)
Income in advance	59	7,397	59	7,338	Accrued income	13,335	12,517	13,335	(818)
Accrued expenditure	31,421	32,293	31,421	872	Prepayments	0	7,092	0	7,092
Transport grants payable	19,819	8,206	19,819	(11,613)	Inventories	5,126	5,823	5,126	697
<b>Total current liabilities</b>	<b>59,360</b>	<b>55,814</b>	<b>59,360</b>	<b>(3,546)</b>	<b>Related party receivables</b>				
<b>Non-current Liabilities</b>					Operating account	28,975	32,084	28,975	3,109
Transport grants payable	1,152	1,564	1,152	412	Transport grants	19,819	8,206	19,819	(11,613)
Deferred tax	5,375	5,375	5,375	(0)	<b>Total current assets</b>	<b>68,408</b>	<b>66,565</b>	<b>68,408</b>	<b>(1,843)</b>
<b>Total non-current Liabilities</b>	<b>6,527</b>	<b>6,939</b>	<b>6,527</b>	<b>412</b>	<b>Non-current assets</b>				
<b>Total liabilities</b>	<b>65,886</b>	<b>62,753</b>	<b>65,886</b>	<b>(3,134)</b>	Property, plant & equipment	240,381	275,169	240,381	34,789
<b>Equity</b>					Intangible assets	21,896	21,717	21,896	(179)
Accumulated funds	4,265	5,200	4,265	935	<b>Related party receivables</b>				
Capital grants reserve	261,685	297,062	261,685	35,377	Transport grants	1,152	1,564	1,152	412
<b>Total equity</b>	<b>265,950</b>	<b>302,263</b>	<b>265,950</b>	<b>36,313</b>	<b>Total non-current assets</b>	<b>263,429</b>	<b>298,451</b>	<b>263,429</b>	<b>35,022</b>
<b>Total equity and liabilities</b>	<b>331,836</b>	<b>365,015</b>	<b>331,836</b>	<b>33,179</b>	<b>Total assets</b>	<b>331,836</b>	<b>365,015</b>	<b>331,836</b>	<b>33,179</b>

## 8.3 Statement of Cash Flows

<b>Statement of Cash Flows</b> <b>For the Period Ended 31 December 2009</b>		
Full Year Ended 30 June 2009		As at 31 Dec 2009
\$000		\$000
	<b>Cash flows from operating activities</b>	
	Cash was provided from:	
	ARC Opex grants	41,610
101,532	ARC Capex grants	30,870
70,771	ARC funding for IA grants vested in ARTA	11,201
7,711	LTNZ Capex grants	12,061
4,457	LTNZ Opex grants (excl. GST)	58,804
104,750	Other Grants and Subsidies	8,036
1,350	Rail Fare revenue	9,813
18,625	Bus Fare revenue	3,584
4,436	Ferry Wharf revenue	1,147
1,998	GST	-
-	Other Sundry Operating income	40
252		177,167
315,881	Cash was applied to:	
	Payments to Suppliers (excl. GST)	114,381
222,913	Payments to Employees	6,455
12,724	Payments to recipients of IA grants vested in ARTA	11,201
7,711	GST	0
184		132,037
243,532		45,130
<b>72,349</b>	<b>Net Cash from Operating Activities</b>	<b>45,130</b>
	<b>Cash Flows from Investing Activities</b>	
	Cash was provided from:	
0	Realisation of Other Investments	-
0	Proceeds from Sale of Intangible Assets	-
0		-
	Cash was applied to:	
72,392	Purchase and Development of Fixed Assets	45,163
0	Purchase and Development of Intangible Assets	-
0	Other Investments	-
72,392		45,163
<b>(72,392)</b>	<b>Net Cash applied to Investing Activities</b>	<b>(45,163)</b>
	<b>Cash Flows from Financing Activities</b>	
	Cash was provided from:	
0	Increase in loans	-
	Cash was applied to:	
0	Repayment of Loans	-
<b>0</b>	<b>Net Cash from Financing Activities</b>	<b>-</b>
<b>(43)</b>	<b>Net (Decrease)/Increase in Cash &amp; Investments Held</b>	<b>(33)</b>
148	Cash & Investments Balances at Beginning of the Period	105
<b>105</b>	<b>Cash &amp; Investments Balances at the End of the Period</b>	<b>72</b>
	<b>Cash &amp; Investments Balances Consist of:</b>	
0	Bank Overdraft	-
105	Cash	72
0	Short Term Investments	-
<b>105</b>		<b>72</b>

### Reconciliation of Net Surplus with Net Cash Flows from Operating Activities

	Dec 09 \$000
Cash was provided from:	
Net Surplus	36,312
Adjustment for items not involving cash:	
Depreciation and amortisation	10,553
Donated asset	-
Deferred tax	(0)
Movements in working capital:	
(Increase) in receivables from ARC	(3,109)
(Increase) in trade and other receivables	5,997
Decrease/(Increase) in Inventory	(697)
Increase in GST	-
Decrease/(Increase) in grants receivable from ARC	11,201
(Decrease)/Increase in trade and other payables	8,068
(Decrease)/Increase in grants payable	(11,201)
<b>Net Cash from Operating Activities</b>	<b>45,130</b>

## 8.4 Capital Statement

<b>2009/2010 CAPITAL STATEMENT</b>				
NZD '000  December-09	YEAR TO DATE			FULL YEAR
	Budget	Actual	Variance Fav/(Unfav)	Original Budget
<b>CAPITAL REVENUE</b>				
ARC Capex Grants	33,927	30,181	(3,746)	79,893
NZTA Capex Grants	17,012	14,489	(2,523)	72,752
IA Grant Funding	-	398	398	0
Rail Fare Revenue				
Bus Fare Revenue				
Other Sundry Operating Income				
<b>Total Capex Revenue</b>	<b>50,939</b>	<b>45,068</b>	<b>(5,871)</b>	<b>152,645</b>
<b>CAPITAL EXPENDITURE</b>				
Interim Rolling Stock - (SA Trainsets 18-23)	17,843	18,845	(1,002)	26,500
Western Line Duplication - Stage 3	200	396	(196)	1,520
Newmarket Remodelling	13,000	13,630	(630)	15,274
Rail Infrastructure Safety Works	-	0	0	0
Interim Maintenance Depot & Storage	1,550	392	1,158	11,980
Capex Renewals (Rolling Stock)	2,750	579	2,171	7,500
Multi Modal Passenger Info System	995	105	890	3,898
Real Time Buses (P0)	-	429	(429)	0
Real Time Buses (P1 & 2)	184	213	(29)	184
Real Time Buses (P3 & 4)	758	57	701	1,526
Integrated Ticketing	1,150	2,148	(998)	34,789
Ferry Terminal Renewals - Stg 1 Downtwn	1,400	2,163	(763)	2,884
Ferry Terminal Renewals - Other wharves	100	3	97	44
Ferry Terminal Renewals - Other - General	-	58	(58)	500
Ferry Terminal Renewals - Quay St footpath	-	0	0	1,500
Ferry Terminal Upgrade Beach Haven	165	0	165	2,832
Ferry Terminal Upgrade Half Moon Bay	28	0	28	100
Ferry Terminal Upgrade Birkenhead	1,599	476	1,123	2,067
Marketing Capex	65	57	8	648
Station Upgrades (Ellerslie, Middlemore & Morningside)	-	(100)	100	0
Manukau City Rail Link	600	65	535	11,764
Western Line Duplication - Stage 5	2,250	513	1,737	4,621
Cycling (wharves)	30	8	22	150
Onehunga (Dart 19)	1,990	108	1,882	3,690
Station Renewals	500	0	500	1,000
New Lynn Rail Station	1,350	2,231	(881)	9,000
Route Scheduler	668	90	578	1,924
FT Upgrade DT Pier 4	130	0	130	1,500
FT Upgrade DT Pier 1c	125	0	125	750
Kingsland Enhancement RWC	600	1,903	(1,303)	4,500
Half Moon Bay Mooring & Dredging works	-	700	(700)	0
<b>Capital Expenditure</b>	<b>50,030</b>	<b>45,069</b>	<b>4,961</b>	<b>152,645</b>

## 8.5 Summary of Financial Performance for 6 months to December 2009

### OPERATING RESULTS

The budget for the half year ended 31 December 2009 is based on the amended 2009/10 funding agreement approved by the Finance Committee of the Auckland Regional Council in November 2009.

#### Revenue

Operating Revenue on the lines **Auckland Regional Council (ARC) Opex Grants** and **New Zealand Transport Agency (NZTA) Opex Grants** is claimed from funders in proportion to expenditure.

**ARC Opex Grants** are \$1.9m less than budget and **NZTA Opex Grants** are \$1.7m less than budget due to less expenditure than planned.

**Rail Fare Revenue** is more than budget by \$0.2m due to an increase in single trip ticket sales due to the NZ Bus Lock Out in October.

**Bus Fare Revenue** is higher than budget by \$0.4m due to continued higher patronage than planned across all the gross bus contracts. Some of this growth is associated with additional Northern Express services being provided in October during NZ Bus industrial action.

#### Expenditure

**Human Resource** is \$0.3m less than budget due to less expenditure for temporary staff and travel.

**Professional Services – Project Delivery** is \$0.6m less than budget due to reduced expenditure for project development, temporary services and other project related expenditure.

**Professional Services – Customer Services** is \$1.1m less than budget mainly due to re-prioritising projects within the Marketing Communications and Customer Service areas as a result of funding cuts being required to meet the NZTA funding envelope. This has slowed down the delivery of some programmes of work in these areas.

**Professional Services - Other** is \$0.4m less than budget due to budget phasing.

**Materials** are \$0.1m less than budget due to the delay and reprioritisation in School and Work Travel Planning programme activities and delays in collateral for marketing activities yet to be implemented. Funding was also allocated for timetable cases / supplies for maintenance, which has not been required to the level originally planned.

**Printing and Office Supplies** is \$0.4m less than budget due to the delay in launching some marketing campaigns whilst the programme was reprioritised for the funding cuts and less on-road and timetables being required during the period.

**Information Systems** is \$0.2m less than budget due to a timing delay relating to IT and Real Time licence charges. Funding has also been allocated for licences associated with the new scheduling and journey planner software, however this project is slightly behind schedule and these costs have not been incurred to date.

**Bus Contract** is \$0.9m less than budget due to less expenditure incurred as a result of the NZ Bus industrial dispute and negative contract indexation. Child concessionary fares and Total Mobility are also below budget due to lower demand than anticipated year to date. This is offset by higher expenditure for SuperGold and tertiary fares which both continue to see growth.

**Rail Contract** is \$0.8m less than budget due to lower prices than budgeted for fuel for the year to date.

**Advertising and Promotion** is \$0.3m less than budget due to less cost being incurred than planned for advertising associated with service review consultation.

**Other Expenditure** is \$0.2m less than budget mainly due to a combination of price, volume and mixed variances, which arise when staff costs and overhead are coded back to the projects.

**Depreciation** is \$0.7m more than budget due to timing differences in the capitalisation of some of the fixed assets during the year.

**Investigations** is \$0.5m more than budget due to the timing of CBD Rail Tunnel Investigations exceeding budget year to date.

### **Net Operating Surplus/(Deficit)**

Net Operating Deficit is \$8.7m for the half year – this arises largely because depreciation is not funded.



## CAPITAL RESULTS

### Revenue

Capital Revenue is \$5.9m less than budget. This represents grants received for capital expenditure that are recorded as assets on the balance sheet.

### Expenditure

Capital Expenditure for the half year is \$4.9m less than budget. The details are as follows:

- Rolling stock projects are \$1.2 less than budget for the half year due to a budget phasing difference of \$2.2m for the rolling stock renewals programme. There are continued negotiations with KiwiRail regarding the rolling stock Asset Management Plan delaying the rolling stock renewals programme. This is offset by \$1.0m more than budget for train sets 18-23 in the current year when the project will be completed.

Project delivery rail infrastructure projects are \$2.8m less than budget due to:

- Manukau City Rail Link \$0.5m less than budget. This is due to a timing variance. The project is currently in the design phase. A review is planned to align with Manukau Institute of Technology programme timing. This may result in a delay to the construction phase and subsequent carry forward of some of the 09/10 budget.
- Western Line Duplication Stage 5 \$1.7m less than budget due to budget phasing. The project is expected to be completed in line with budget.
- Onehunga ( Dart 19) \$1.9m less than budget due to ONTRACK delays.
- Station Renewals \$0.5m less than budget due to funding uncertainties.
- Interim Maintenance Depot and Storage \$1.2m less than budget due to budget phasing.

Partially offset by

- Avondale Station is projected to be \$0.2m more than budget based on recent detailed design cost estimates which are projecting higher than budgeted construction costs.
- New Lynn Station \$0.9m more than budget due to a timing difference between financial years.
- Kingsland Enhancement RWC \$1.3m more than budget in the current 09/10 year as the whole programme has been brought forward from the 2010/11 year budget.

Other non-rail capital projects are \$0.7m less than budget primarily due to:

- Multi Modal Passenger Info System under budget by \$0.8m due to a delay whilst consideration is given to implementing this project further to give the maximum benefit for the least cost.
- Real Time Buses (P3&4) \$0.7m less than budget due to budget phasing.
- Ferry Terminal Upgrade - Birkenhead \$1.1m less than budget, however as previously advised this project is expected to exceed budgeted project costs. Additional funding has been approved by NZTA and sourced from savings in other ferry projects.

- Route Scheduler \$0.6m under budget due to budget phasing. Contracting processes have been completed and the project is expected to be completed within budget.
- Ferry Terminal Upgrade Stage 1 Downtown Pier 4 and Pier 1c - \$0.3m less than budget due to delays commencing these projects.
- Beach Haven Ferry Terminal is \$0.2m under budget. This project has been deferred.

These underspends are partially offset by:

- Real Time Buses (North Shore and Rodney) \$0.4m more than budget due to early delivery of display equipment.
- Integrated Ticketing \$1m more than budget due to budget phasing.
- Ferry Terminal Renewals Stage 1 Downtown \$0.8m more than budget due to budget phasing.
- Half Moon Bay Moorings & Dredging works is \$0.7m more than budget. This is an unbudgeted project as agreed with operators at Half Moon Bay and funded through the deferral of other ferry terminal projects.

## Statement of Financial Position

The key features of the movement in the Statement of Financial Position for the half year ended 31 December 2009 are:

### Current Liabilities

The total current liabilities have decreased by \$3.6m for the quarter due to ARTA satisfying historical Infrastructure Auckland grants (\$11.6m) set off by an increase in Income in Advance (\$7.4m) being the third quarter Veolia payment claimed from the funders.

Equal and opposite current and long term **Grants Payable** and **Grants Receivable from ARC** recognising the ex Infrastructure Auckland grants that were taken over by ARTA. This recognises that we have a payable to an external party and a matching receivable from the ARC.

### Current Assets

**Total current assets** are \$1.8m less than the year-end balance mainly due to reduction in the asset of Transport Grants to match the payments made during the half year (\$11.6m) offset partially by an increase in prepayments for the quarterly Veolia payment (\$7.1m) and increase in the balance of the operating account between ARC and ARTA (\$3.1m)

The **Related Party Receivables** account represents monies owed by ARTA to ARC or by ARC to ARTA.

### Long Term Assets

**Fixed Assets** represents the amounts spent on capital expenditure. The net additions for the half year were \$34.8m mainly spent on work in progress for train sets 18-23 and Newmarket Station upgrade.

## Equity

**Transport Ring Fence** represents the appropriation of grants for rolling stock refurbishment. These grants will be appropriated back to the profit and loss account to offset depreciation.

## Statement of Cash Flows

The Statement of Cash flows reflects the cash transaction for the **Income Statement** and the closing position of **Cash and Bank** in the **Statement of Financial Position**.

## ARTA Administration Costs

### Administration Budget Results for half year

Expenditure Category	ARTA 09/10 Full Year Budget	Half Year-Budget	Half Year - Actual	% Total Full Year Budget	% Quarter Budget	Admin Budget Remaining
	\$	\$	\$			\$
Board	502,250	240,756	211,506	42%	88%	290,744
Human Resources	13,633,105	6,547,273	5,743,098	42%	88%	7,890,007
Shared Services	2,815,550	1,458,025	1,449,368	51%	99%	1,366,182
IT Projects	1,188,000	568,550	415,045	35%	73%	772,955
Sundry Expenditure	237,000	137,121	136,496	58%	100%	100,504
<b>Total</b>	<b>18,375,905</b>	<b>8,951,725</b>	<b>7,955,513</b>	<b>43%</b>	<b>89%</b>	<b>10,420,392</b>

The above table shows ARTA Administration costs are \$1.0m less than budget for the half year ending December.

The main difference is in the human resources line and this is due to both a control on staff numbers and the phasing of some of the vacancies.

IT projects is \$0.2m less than budget due to budget phasing.

## ARC Funding Categories

### ARC Funding CAP - OPEX

Activity Class	Budget 09/10 \$000	ARC Operating Funding 2009/10 (Original) \$000	Additional Funding Approved \$000	Total Revised Funding CAP \$000	ARC Funding to 31 December 2009 \$000	Balance available for Jan 2010 - Jun 2010 \$000	% variance
Corporate Support	3,438	2,464		2,464	1,232	1,232	50%
Board	502	377		377	159	218	58%
Professional Services	27,793	11,248		11,248	4,250	6,998	62%
Paratransit	4,672	1,964		1,964	783	1,181	60%
Sustainable Transport	4,933	1,185		1,185	231	954	81%
Investigations	2,819	1,128		1,128	395	733	65%
Rail Contract	83,452	25,364	-567	24,797	13,313	11,484	46%
School Buses	10,257	5,128		5,128	2,381	2,747	54%
Concessionary Fares	10,876	5,438		5,438	2,648	2,790	51%
North Contracts	32,513	13,755		13,755	6,336	7,419	54%
West Contracts	13,512	6,756		6,756	2,955	3,801	56%
West/Isthmus Contracts	13,475	6,738		6,738	3,245	3,493	52%
Isthmus Contracts	8,375	4,187		4,187	2,175	2,012	48%
South Contracts	24,369	12,185		12,185	5,748	6,436	53%
Other Contracts	2,435	1,232		1,232	264	968	79%
Ferry Contracts	6,020	3,010		3,010	1,389	1,621	54%
Ferry Maintenance	2,423	236		236	0	236	100%
Rail Level Crossings (TA)			91	91	0	91	100%
<b>TOTAL ARC OPEX FUNDING</b>	<b>251,864</b>	<b>102,394</b>	<b>-476</b>	<b>101,918</b>	<b>47,505</b>	<b>54,322</b>	<b>53%</b>

ARTA claimed 47% of its original annual allocation for the December half-year.

Professional Services is lower than budget due to delays in implementing various projects as a result of NZTA funding constraints.

Paratransit is less than budget due to less demand for total mobility services.

Sustainable Transport is less than budget due to the delay in the publication of the NLTP and NZTA funding restrictions for all projects in this area. Cuts have been made to the School and Work Place Travel Planning programmes, Walking and Cycling initiatives and Road Safety to operate within the NZTA funding allocation.

Investigations funding is lower than budget due to delays in getting NZTA approvals for Rail investigations. Rail investigations are currently still at CAT2.

School Buses is lower than budget due to less demand.

Bus contracts are lower than budget mainly due to negative indexation for the quarterly adjusted contracts effective from 1 July 2009, NZ Bus stop work credit notes arising from the industrial dispute in October 2009, and planned service changes deferred unless changes can be made on a zero cost basis.

Ferry Maintenance is funded almost entirely by operators and there has not been the need yet to claim this financial year against this funding category.

There have been no claims from territorial authorities for rail level crossing investigation funding.

### ARC Funding CAP - CAPEX

Activity Class	Budget 09/10 \$000	ARC Operating Funding 2009/10 (Original) \$000	Additional Funding Approved \$000	Total Revised Funding CAP \$000	ARC Funding to 31 December 2009 \$000	Balance available for Jan 2010 - Jun 2010 \$000	% Variance
2 - Interim Rolling Stock	26,500	26,500	-1,089	25,411	18,845	6,566	26%
5 - Newmarket	15,274	6,110	-1,609	4,501	5,451	-950	-21%
6 - Rail Rolling Stock Refurbishment	7,500	7,500		7,500	579	6,921	92%
7 - Western Line Duplication Stg 3	1,520	608	120	728	91	637	87%
9 - Real Time Passenger Information System	5,611	2,363	36	2,399	141	2,258	94%
10 - Integrated Ticketing	11,450	4,580	195	4,775	859	3,916	82%
11 - Interim Rolling Stock - Depot and Storage	11,980	11,980	118	12,098	392	11,706	97%
12 - Passenger Transport Capital Infrastructure	2,572	1,075	30	1,105	62	1,043	94%
14 - Ferry Terminal Upgrades & Renewals	12,324	5,248	961	6,209	1,931	4,277	69%
18 - Rail Infrastructure Safety Works	0	0		0	0	0	
19 - Station Upgrades	0	0		0	-100	100	
20 - Manukau City Rail Link	11,764	4,706	61	4,767	26	4,741	99%
21 - New Lynn Rail Station	9,000	3,600		3,600	893	2,707	75%
23 - Western Line Stage 5	4,621	1,848		1,848	205	1,643	89%
24 - Onehunga Dart 19	3,690	1,476	65	1,541	43	1,498	97%
25 - Station Renewals	1,000	500		500	0	500	100%
26 - Kingsland Station	4,500	1,800		1,800	761	1,039	58%
<b>TOTAL ARC CAPEX FUNDING</b>	<b>129,306</b>	<b>79,894</b>	<b>-1,112</b>	<b>78,781</b>	<b>30,180</b>	<b>48,602</b>	<b>62%</b>

ARTA's capex programme for the December half year has consumed 38% of the ARC full year approved funding. This is made of the following specific variances:

- Interim Rolling Stock is ahead of schedule and it is anticipated that this project will be completed within the annual allocation this financial year.
- Rolling Stock Renewals are below budget due to the delay associated with finalising the rolling stock Asset Management Plan with KiwiRail.
- Avondale Station is below budget due to budget phasing, however the results of detailed design indicate there may be higher than budgeted construction costs.
- Real Time Passenger Information System is below budget due to delays associated with the RFT process for the Multi Modal Passenger Information component of the system.
- Integrated ticketing is favourable to budget due to budget phasing.
- Interim Rolling Stock Depot and Storage is below budget due to budget phasing.
- Passenger Transport Passenger Infrastructure is below budget due to budget phasing.
- Ferry Terminal Upgrades is slightly below budget due to the NZTA CAT2 status of planned works at Downtown Pier 1c, pier 4 and Quay Street footpath upgrade.

- Manukau City Rail Link is below budget due to a timing variance and the project is currently in the design phase. A review is planned to align with Manukau Institute of Technology programme timing. This may result in a delay to the construction phase and subsequent carry forward of some of the 09/10 budget.
- Kingsland Station is more than budget as the whole programme is ahead of schedule.
- New Lynn Rail Station work is currently below budget due to budget phasing.
- Western line stage 5 is favourable to budget due to budget phasing.
- Onehunga Station progress has been delayed due to alignment with the ONTRACK programme.
- Station Renewals is currently at CAT2 status with NZTA. CAT2 is a “yet to be approved” status.