



**Karangahia te mihi uruhau, mai i Tāmaki ki te raki i Mokohinau,**  
*Greetings to the 4 points of Auckland Mokohinau to the north,*

**tae ki te tonga ki Puketutu, mai i te uru ki Moturara tae ki te rāwhiti te motu o Tarahiki.**  
*Puketutu in the south, Moturara to the west and Tarahiki island to east.*

**Ko tēnei takiwā e nohoia nei a Mana Whenua, a Mātaawaka o Tāmaki Makaurau whānui.**  
*These points indicate the Auckland Transport's boundaries located within the land and sea of the Mana Whenua and Mataawaka.*

**Tēnei te waka e kiia nei , mā te korero e whakarongo**  
*This waka that says, through words one listens intently,*

**Mā te whakarongo e whai**  
*Through listening one has goals*

**Mā te whai e tae tika**  
*Goals establish process*

**Mā te tika e pono**  
*Process establishes integrity*

**Nei rā te mihi e pāt t ki ngā t pito o Makaurau**  
*This greeting is delivered across the whole of Auckland*

**Koutou ngā Mana Whenua, kotou ngā Mataawaka**  
*To the Mana Whenua and Mataawaka*

**Ahakoia ko wai, ahakoia n hea ahakoia te aha**  
*No matter who you are, where you are from no matter what.*

**Tēnā koutou, tēnā koutou, tēnā koutou katoa!**  
*Greetings, greetings, greetings to you all!*

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**INTRODUCTION**

Section 66 of the Local Government Act 2002 requires Auckland Transport to deliver to Auckland Council, within two months after the end of the first half of each financial year, a report on the organisation's operations during that half of the year. The report must include the information required to be included in its Statement of Intent (SOI).

The report presented here is for the period 1 July to 31 December 2012 and provides an overview of the Auckland Transport's performance during this period.

The following key aspects of the SOI are highlighted in this report:

- Programme of Action
- Non-financial performance
- Financial performance



## Auckland Transport's vision:

Delivering transport choices to get you where you want, when you want

## Our values:

On Board. One Team. Straight Up. Take Action.



## What we do

Auckland Transport designs, build, maintains and upgrades Auckland's Transport infrastructure. Assets include:

- 7,354km of local and arterial roads
- 6,859km of footpaths
- 127,666 road signs
- 15 bus stations and five busway stations
- 42 rail stations on five lines
- 933 on-street pay-and-display machines
- 985 bridges and culverts
- 99,912 street lights
- 1,554 bus shelters
- 21 ferry terminals
- 14 multi-story car park buildings
- 270 AIFS (integrated ticketing) devices.

We also plan, fund and coordinate bus, train and ferry services across Auckland and coordinate road safety and travel demand initiatives such as travel plans.



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# Auckland Transport Executive Summary

## Programme of Action

Auckland Transport continues to make significant progress on its programme of action as set out in its Statement of Intent.

Highlights for the half year are listed below:

- Increase in the number of schools and organisations joining the area, workplace and school travel plans
- The "City Centre Future Access Study" regarding the City Rail Link (CRL), which is finalised and publicly launched in December 2012, concluded that the CRL has the greatest multimodal capacity and is necessary to meet the future demand for travel to the city centre
- Successful launch of Auckland Transport HOP on trains and ferries
- Considerable progress has been made on the Auckland Manukau Eastern Transport Initiative (AMETI) Panmure construction works
- Construction of the new ferry terminal at Hobsonville is on track and is scheduled to start services on 4 February 2013
- Significant progress has been made towards electrification of the Auckland rail network including preparatory work for gantry and electric supply cables at Britomart during the Christmas 2012 closure
- Crash reduction study programme is proceeding as planned while high crash – risk location (black spots) have been identified and prioritised for safety improvements.

However, several issues should also be noted:

- Snapper NZ Limited has advised of their intention to commence legal proceedings against Auckland Transport.
- The Real Time Public Information System has some challenges with old technology.
- Public transport patronage is below target.

## Non-Financial Performance - Public Transport Patronage

Total Auckland public transport patronage was 69,652,135 passengers for the 12 months to 31 December 2012, a decrease of 145,643 passengers or 0.2 per cent compared to the corresponding period in 2011. Total Auckland public transport patronage for the first half of the financial year has decreased by 4.3 per cent or 1,543,950 passengers compared to the same period of the previous year. Patronage growth initiatives, which include new public transport services and integrated ticketing implementation, planned during the year are expected to result in higher patronage growth in the third and fourth quarters.

## Financial Performance

Auckland Transport has operated within its agreed funding envelope in the six months to 31 December 2012. The organisation has managed the cash flows from operational activities effectively.

Auckland Transport has invested a further \$278m in Auckland's infrastructure in the six months to 31 December 2012. This is only slightly behind the budget target of \$285m.

Auckland Transport's result for the six months to 31 December 2012 shows total comprehensive income of \$392.9m. The operational result is a surplus before tax of \$407.8m against a budgeted surplus of \$0.1m, a variance of \$407.7m. This variance arises predominantly due to vested assets income of \$414.4m. This is a non-cash item that impacts the operational result. After adjusting for non-cash and abnormal items, Auckland Transport has operated within its agreed funding envelope.

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The capital expenditure was spent on the following activities.

Activities	Year to date Actual \$000	Percentage
Roads	188,213	67.7%
Public Transport	39,510	14.2%
Electric motor units (EMUs)	45,120	16.2%
Parking operations	1,573	0.6%
Other internal support projects	3,544	1.3%
<b>Total</b>	<b>277,960</b>	<b>100.0%</b>

# Chairman's Report

Foreword to six-month report to Auckland Council



DR LESTER LEVY  
CHAIRMAN

It has been a privilege to take up the Chairman's role at a time when Auckland Transport is marking significant milestones across the region. As the new chairman I have spent considerable time talking directly with customers and stakeholders and it is clear to me that improvement to the customer experience is vital to the uptake of public transport services in Auckland and moving forward a stronger focus will be placed on this.

Transport in Auckland is on the cusp of a transformative change, which will be sustained over much of the next decade and will result in a multi-modality transport environment that will be very different to what Aucklanders have currently. There is much to be done to make this a reality.

January's milestone event was the start of construction on the second of two new bridges over the Ellerslie-Panmure Highway, in phase 1 of AMETI. These bridges are essential to electrification and the future south-eastern busway. Both of these projects – electric trains and a second busway for Auckland – are vital components in adding capacity to Auckland's transport system as well as improving its reliability.

February's milestone event was the launch of the new Hobsonville and Beach Haven ferry services by Mayor Len Brown and Prime Minister John Key. Construction of a terminal at Hobsonville Point establishes a precedent for Auckland, enabling public transport usage patterns to be established very early in the process of a significant housing development.

New Lynn is another of Auckland's priority growth areas and is the site of one of the largest ever public transport infrastructure investments in New Zealand. It is particularly pleasing to see the award-winning transit interchange prove itself as a catalyst for significant new and regenerative commercial development in the past six months. Auckland Transport has allocated a further \$16 million for the mixed-use development of the old Crown Lynn site, supporting the council's vision to have 20,000 people living within walking distance of the transit interchange.

In the past six months, Auckland Transport has placed significant emphasis on planning for and protecting the City Rail Link route and also in planning for realignment of the bus network to cater for growth. Auckland's predicted million new residents by 2041 will demand significantly scaled up infrastructure and the Integrated Transport Plan reveals that a disproportionate percentage of the next three decade investment in transport infrastructure will need to occur in the next ten years. A collaborative inter-agency study published by Auckland Transport late last year reveals the importance of the CRL to ensuring that Auckland's existing public transport services do not surrender to over capacity - this study identifies that city traffic will eventually slow to walking speed within a decade, without the CRL.

Priority issues for Auckland Transport include:

- creating greater momentum in public transport patronage
- significantly enhancing the customer experience
- ensuring our critical infrastructure projects progress to plan and budget
- bringing fresh thinking to the issue of infrastructure funding.

In respect of the final point, I look forward to the recommendations in this year's report from the Consensus Building Group.

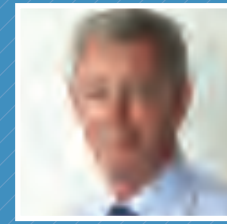
As the new chairman, I would like to recognise the excellent work of Mark Ford, the foundation chairman of Auckland Transport.

Dr Lester Levy  
Chairman, Auckland Transport



# Chief Executive's Report

CE's foreword to six-month report to Auckland Council



DAVID WARBURTON  
CHIEF EXECUTIVE

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Auckland Transport has ambitious targets to meet. This past six months has seen delivery of a number of key projects whose trajectory has been complex and lengthy.

November 2012 was a stand-out for two reasons – as the second highest month for construction spending in the organisation's history and for the roll-out of AT HOP on a second mode of public transport.

Delivery of HOP on rail and ferries has gone smoothly and is paving the way for a successful roll-out on buses starting in April. Success ultimately lies with customer take-up of the cards, and 43,000 were sold in the first four weeks.

The \$100 million Phase 1 of AMET1 is on time and is one of the reasons for the high construction spend. Three new bridges, a new road, a major upgrade of Panmure Station and walking and cycling facilities are either complete or well under way.

Progress on the \$30 million upgrade of the Tiverton-Wolverton arterial is starting to accelerate, as is the major Glenfield Road upgrade.

Auckland Transport is continuing to work closely with KiwiRail on electrification of the rail network, and construction of the depot at Wiri is progressing rapidly as a result of fine weather over summer. Tracks have been laid to the depot and the building completion date remains on target for mid-year.

The application to designate land to build and operate the CRL is now open for public comment – another important step towards its construction.

The Regional Public Transport Plan, due to be considered by the Board in March 2013, will permit the comprehensive network structure and service design review to be implemented. A medium term growth plan for public transport is also being presented to the Board and builds on the key initiatives being delivered, including HOP, electric trains, ferry facilities and the bus network restructure. Additional short-term growth initiatives are being investigated to redress patronage tracking beneath SOI targets, particularly for rail.

An internal restructure of the executive leadership team was initiated in 2012. The new structure, implemented in December, better integrates key functions across the business. Quality performance across the organisation has been recognised with a number of awards ranging from the New Lynn Station to the Sober Driver Sorted campaign. It is equally pleasing to see the regional road toll continue to decline through the combined efforts of all stakeholders.

David Warburton  
CE, Auckland Transport

# Highlights

## One system – completing the road network

Auckland's population is forecast to exceed two million by around 2041, pushing the demand for freight and commercial trips to double the current level. 85 per cent of all motorised travel in Auckland takes place on the city's roads, which are heavily used.

Completion in 2015/16 of the Western Ring Route, with the Waterview Connection, will do for the road network what the CRL will do for rail; it will free up access to, and through, the tightly constrained city centre and boost its economic potential. It will also ensure greater resilience by providing an alternative north/south route that bypasses the Harbour Bridge.

While NZTA is responsible for completing the state highway network, Auckland Transport operates, maintains and improves the arterial and local roads. The \$30m upgrade of Tiverton

and Wolverton streets between New Windsor and New Lynn started in August 2012. This 2.2km stretch of arterial road moves 31,400 vehicles daily. Removing the two-lane bottleneck will increase capacity in time for the completion of the SH20 Waterview connection in 2015/16. Pedestrian safety is being improved and a new cycle route will bypass the busy arterial route. Street infrastructure is also being upgraded, in line with the 'dig-once' policy of working closely with utility providers.

The One System approach is also being used to optimise and integrate infrastructure investment and to improve traffic flows across other excessively congested arterials, such as Dominion Road, Lincoln Road and Great South Road.



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## AMETI: Unlocking the potential of the eastern suburbs

With a total cost of around \$1.5b, this is Auckland Transport's largest construction project and has been enabled by the scale of the new organisation.

AMETI addresses traffic congestion that is amongst the worst in the country, despite lower-than-average car ownership. The project unlocks the potential for 40,000 new jobs once key transport links are improved, particularly in East Tamaki. Completion of the Highbrook Business Park will further stimulate economic activity in areas such as export-driven niche manufacturing, transport and storage, and food processing.

Improvements to public transport, walking and cycling facilities will also give residents greater transport choices. Consultation with the community and stakeholders is ongoing.

AMETI Phase 1 features:

- A new 1.5km link north/south road linking Glen Innes and Mt Wellington, including a tunnel next to Panmure Station
- Three new bridges – two on Ellerslie-Panmure Highway over the rail line, allowing for the new road, rail electrification and a potential third rail line
- Major upgrade of Panmure Station to create a transport interchange with quicker transfer times
- Improvements to Van Damm's Lagoon Reserve, and cycle lanes and footpaths.

Phase 2 features a new South Eastern Busway linking Panmure Station with Pakuranga and Botany and replacing Panmure roundabout with an intersection. This next phase is programmed for





## Highlights CONTINUED

### Electric trains

A rail line has the potential to carry 10 times the capacity of a motorway lane and three times the capacity of busway. Patronage has been steadily increasing. Two key projects will unlock network capacity and make rail travel even more attractive: electric trains and the City Rail Link.

When Auckland's fleet of 57 three carriage electric trains comes into service early 2014, to replace the ageing diesel units, the rail network will experience a quantum leap in service standards, reliability and resilience. Incorporating the latest technology in terms of safety, accessibility and Wi-Fi, the trains will also be quiet and have lower environmental impact.

The project is a partnership with the government (NZTA), with KiwiRail responsible for electrification of the network, while AT has purchased the trains. Testing of the new trains is ongoing.

Key milestones are:

October 2011: Contract with a Spanish manufacturer was signed for the trains

May 2012: Construction began on a new depot at Wiri to maintain and stable the electric trains. The site, on the old Winstones Quarry, was chosen for its proximity to the main trunk line

June 2012: The first mock up train arrived in Auckland.

July 2013: Depot due for completion.

Sept 2013: The first trains are expected to arrive.



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## Transport as an urban place shaper

The Auckland Plan, published in May 2012, identifies the transport system as crucial to achieving the vision for Auckland in 2041 as the “world’s most liveable city”. The Plan’s development strategy has a place-based approach for all of Auckland, not just the city centre, giving greater emphasis to the liveability of places than has traditionally occurred in Auckland.

Linking the location, type and timing of infrastructure investment promotes wellbeing, encourages productivity and stimulates substantial progress towards the Plan’s vision. Major transport infrastructure investment in the west and south of the city are proving AT’s commitment to these outcomes.



## Revitalising New Lynn

New Lynn’s revitalisation began in 2010 with completion of a new world-class rail station. Since then a number of other projects have been completed:

- A road bypass of the town centre
- New shared spaces in McCrae Way and Totara Avenue
- New cycling measures on Clark Street
- A transit-oriented development (TOD) on the site of the old bus station, with a 299-space parking building and a new medical centre.
- Completed march 2013

The New Lynn section of Great North Road and Delta Avenue are being substantially upgraded. The Clark Street bypass re-routes heavy vehicle traffic away from the town centre, while the shared spaces introduce slow-speed zones. They make the retail and commercial areas more pedestrian friendly and vibrant. TODs also maximise access to public transport.

As part of the New Lynn Urban Plan, AT has allocated \$16 million for purchasing land and constructing roads within the mixed-use development to take place on the site of the Crown Lynn pottery works.







Programme of Action

# 02

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# Programme of Action (POA) Progress Update

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Auckland Transport's Statement of Intent 2012-2015, agreed with Auckland Council, sets out a three-year programme of action aimed at achieving its overarching outcome and impacts.

Auckland Transport's Overarching Outcome:

**Auckland's transport system is effective and efficient, and provides for the region's social, economic, environmental and cultural wellbeing.**

Auckland Transport's Impacts:

- better use of transport resources to maximise return on existing assets

- increased customer satisfaction with transport infrastructure and services
- Auckland's transport network moves people and goods efficiently
- increased access to wider range of transport choices
- improved safety of Auckland's transport system
- reduced adverse environmental effects from Auckland's transport system.

Progress against this programme of action is updated below.

## 1. PROGRAMME OF ACTION 1 – MANAGE AUCKLAND'S TRANSPORT AS A SINGLE SYSTEM:



### POA 1.a

Working with the New Zealand Transport Agency (NZTA) to develop and manage the State Highways and regional arterial road system as one network



### Roads

The current focus of the Auckland Transport and NZTA "one network approach" is the introduction of integrated incident management across the regional network and the trial implementation of 'SmartRoads'.

#### Integrated incident management

A project concept has been initiated to manage planned and unplanned events that will result in an integrated incident management plan.

Progress has been made to the project on extensive crash analysis and mapping for the network to help define high priority routes for incident management. Further liaison has taken place with the NZ Police Serious Crash Unit.

A process is being introduced with stakeholders (NZ Police, Emergency Services, NZTA, Auckland Transport and contractors) for serious incident debriefs. This is to better understand the current process and responses, with a view to continuous improvement.

#### SmartRoads

The Auckland trial for implementing Network Operating Plans was concluded in November 2012. The purpose of the trial was to test the suitability of using the SmartRoads tool developed by VicRoads in Auckland. The trial was a partnership between Auckland Transport, NZTA and the Joint Transport Operations Centre (JTOC), and commenced in July 2012. The Network Operating Plan approach links operational decisions on the network to strategic objectives and aims to make the best use of existing infrastructure by prioritising different transport modes at particular times of the day. This approach is directly aligned with the Integrated Transport Programme's 4-step intervention process to maximise use of existing networks before investing in new capital.

The trial was successful and concluded that Network Operating Plans using the SmartRoads tool can be adopted in Auckland. The project Steering Group met in November 2012 and approved the next steps, which include the development of a Network Operating Plan for the Auckland region. Planning for the next stage has commenced and a Trial Summary Report outlining the key outcomes and next steps has been completed.



# Programme of Action CONTINUED

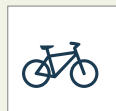


## POA 1.b

### School, tertiary, area, and workplace travel plans

A travel plan is a targeted set of actions to reduce car travel, especially single occupancy cars and encourage use of public transport, walking, cycling and carpooling.

A total of 376 travel plans are on the programme. This is made up of 319 school travel plans and 57 workplace and area travel plans.



### Area and workplace travel plans

- 13 new organisations have joined the Commute workplace programme (Greenpeace, Manukau Central Business Area, Well Connected Alliance-Waterview Construction, Ponsonby Business Association, Waterfront Auckland, Opus, Sandford, BDO, Tower, Unitec (Mt Albert, Waitakere, Albany and Awhina Health Campuses), Takapuna, Newmarket and Panmure Business Associations).

Walking

Cycling

Carpool

Tele working

- The Commute programme for businesses has been launched at various business events, supported by a hard copy pack and improved webpages on the Auckland Transport website ([www.aucklandtransport.govt.nz/commute](http://www.aucklandtransport.govt.nz/commute)). This will be promoted further in the next quarter through an extensive marketing campaign.
- Support for businesses with the Public Transport Package, this includes over 1,000 'give it a go' passes distributed to commuters.
- Analysis of the recent regional advertising campaign to promote the new national carpooling website 'Let's Carpool' shows 36% of respondent's carpool regularly/sometimes. A total of 149 new registrations have been recorded during this quarter, bringing membership in the Auckland region to 3,424.



Let's Carpool website <http://www.lets carpool.govt.nz/>

### School travel plans.

- 35 new schools have joined the programme since July 2012 (this represents 94 per cent of target for the year).
- Nine schools have launched their Safe School Travel Plan since October 2012, 230 schools are now implementing their Safe School Travel Plans across the region (Waiheke High School, Te Huruhi School, Swanson School, Stonefields School, Mangere East School, Papatoetoe Central School, Pukekohe North Cluster [Pukekohe Hill School, Pukekohe North School and St Joseph's Pukekohe]).
- Travelwise iWalk month was held in October 2012, with 65 schools registered across the region (a combined role of 27,048 students). Travelwise iWalk month was a three week promotion supporting International Walk to School month at a local level. Schools were encouraged to aim for a target of 60% of the school roll to use active modes of travel to school (walking, cycling, scootering etc.). An evaluation of this activity is currently being undertaken.
- 4,235 participants (mainly year 5 and year 6 students) have received cycle safety training through the Bike Safe programme this financial year.

### Teleworking or e-working or telecommuting

- Working from anywhere, substituting technology for commuter travel to an office
- Completed the teleworking package and trial.
- The trial with three businesses identified the following benefits of teleworking:
  - greater productivity from staff
  - trip reduction of 25 kilometres per day on average
  - cost saving of \$45 per person over the month of the trial.
- Resources are now available to businesses across the region.

### Carpooling

- Conducted a regional marketing campaign to promote the new national carpooling website 'Let's Carpool', developed by Auckland Transport and the Greater Wellington Regional Council.
- The campaign resulted in 1,488 new full registrations.
- The Auckland region of 'Let's Carpool' now provides the largest database of car poolers nationally for commuting.

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## POA 1.c

### Extending signal optimisation on arterial road network

#### Roads

The 2011/2012 arterial route optimisation programme was the first year of a four year programme and achieved route optimisation on 10 per cent of the arterial road network.

The combined estimated savings (first year) for 2011/2012 are:

- time savings of 818,689 travel time hours
- CO<sub>2</sub> reduction of 1844 tonnes
- fuel savings of 761 thousand litres.

The route optimisation programme has a primary focus on traffic signal efficiency but investigations can identify complimentary works that can include changes to road markings, signage improvements, bus facilities, traffic restrictions at key times, pedestrian and cycle amenity improvements and complimentary capital works that range from minor improvement works (e.g. kerb widening) to identifying work for major projects (e.g. widening of a road to achieve a consistent number of lanes through a critical section).

The 2012/2013 signal optimisation is progressing well according to programme.

The following routes have been evaluated where possible traffic signals improvements have been made.

Route	Start	Finish	Progress
Mt Albert Road/ Carrington Road:	New North Road	Pah Road	Scheme design being undertaken to investigate feasibility of capacity improvements highlighted from optimisation reports
Remuera Road:	Broadway	Bassett Road	Signal Optimisation Complete – No physical works required.
Richardson Road / Stoddard Road / Maioiro Road:	New North Road	Windsor Road	Project on hold until construction of retail outlet is completed
Great North Road:	St Lukes Road	Ponsonby Road	Review of the corridor is being undertaken.
Gillies Avenue / The Drive:	Greenlane West	SH1 Interchange	Consultant engaged to implement removal of car parking.
Albany Expressway & Greville Road:	Oteha Valley Road	Hugh Green Drive	Signal Optimisation Complete – No physical works required.
Taharoto Road:	Forrest Hill Road	Sunnybrae	Route has been started.
New North Road:	Carrington Road	Blockhouse Bay Road	Scheme design being undertaken to investigate feasibility of capacity improvements highlighted from optimisation reports.
Lunn Avenue:	Ellerslie Panmure Highway	Ngahue Drive	Signal Optimisation Completed
Church Street:	Neilson Street	Selwyn Street	
Carbine Road:	Panama Road	Waipuna Road	Signal Optimisation Complete – No physical works required
Princes Street/ Atkinson Street:	Atkinson Avenue	Frank Grey Place	Route has been started.
Whangaparaoa Road:	SH17	Whangaparaoa Town Centre	Signal Optimisation Completed
West Coast Road:	Rosier Road	Janet Clews	Design Complete
Walmsley Road	Coronation Road	Robertson Road	Scheme design being undertaken to investigate feasibility of capacity improvements highlighted from optimisation reports.
New North Road	Blockhouse Bay Road	Symonds Street	Scheme design being undertaken to investigate feasibility of capacity improvements highlighted from optimisation reports.
Albany Expressway	Old Oteha Valley Road	Mecari Way	Signal Optimisation Complete
Albany Highway	Oakway Drive	Upper Harbour Drive	
Albany Highway	Oaklands Road	Albany School	
Hibiscus Coast Hwy	SH1	West Hoe Road	Signal Optimisation near completion

# Programme of Action CONTINUED

Progress is being made on identified capital works for the following projects:

## Design

- Richardson Road/Stoddard Road/Maioro Road: New North Road to May Road to New Windsor Road
- New North Road: Carrington Road to Blockhouse Bay Road
- Mt Albert Road/Carrington Road: Dominion Road to Pah Road
- Warsley Road: McKenzie Road to Robertson Road

## Construction

- Broadway is going to market for closed tender for works to start during the Easter break.
- Greenlane East is being constructed.
- Greenlane / Manukau Road – land is being purchased from Auckland Council to accommodate the proposed left turn lane.



Walking

## POA 1.d

### Extending the real time public information system

- 'Live Departure Board' available on the web and mobile apps, now shows scheduled and real-time departure time information for rail and bus stops and schedule times for ferry stops.
- Improvements have been made to software being used by service operators to improve usability.
- Papakura rail station has been fitted with electronic entrance and platform signs.



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## 2. PROGRAMME OF ACTION 2 – INTEGRATE TRANSPORT PLANNING AND INVESTMENT WITH LAND DEVELOPMENT:



Rail

### POA 2.a

Completing investigations to determine the long-term Rapid Transit Network, including City Rail Link and South Western Airport Multi-Modal Corridor Project/rail to the airport

#### City Rail Link

The “City Centre Future Access Study” (the Study) and the “Response to the Minister of Transport (July 2011) Statements regarding the City Rail Link” were finalised and publicly launched on 13 December 2012. This work was done in close consultation with central government officials.

The Study concluded that the City Rail Link (CRL) is necessary to meet future demand for travel to the city centre and has the greatest multimodal capacity. It performs best when compared against the other shortlisted options (surface bus with and without approaches, and underground bus with and without approaches), achieving a Comparative Benefit Ratio (CBR) of 0.9. The bus options reduced private vehicle speeds in the city centre to 5-6km/h compared to 8km/h with the CRL. The surface bus option only provides for 3-5 years additional capacity beyond currently funded projects and has a CBR of 0.3 without approaches and 0.4 with approaches. The underground bus option provides marginally more capacity than the

surface bus option but has a similar capital cost to CRL. It has a CBR of 0.2 both with and without approaches.

Some land included in the CRL footprint is no longer required. Affected property owners whose land is no longer required as a result of project optimisation, including optimising the North Auckland Line connections, were notified prior to Christmas 2012. It is expected that the Notices of Requirement will be publicly notified by Auckland Council in late January 2013.

#### South-western Multi-modal Airport Rapid Transit (SMART) / rail to the airport

The SMART project has considered a range of rail alignments and station options to progress towards route protection for rail from Onehunga to Puhunui via the airport. These have been reduced to a short list of alignment options. As part of the detailed assessment process on this shortlist, engagement has been undertaken with Local Boards, iwi groups and project partners (Auckland Council, NZTA, KiwiRail and Auckland Airport).

Work is progressing on determining the preferred rail alignments and station locations, integrated with future State highway, local road, cycle and pedestrian improvements. The SMART team has been working with Auckland Airport in the development of their masterplan including route protection for rail. The SMART team has also been working closely with Auckland Council’s Area Plan team who have just completed public engagement on the draft Mangere-Otahuhu Area Plan.

Map of City Rail Link



# Programme of Action CONTINUED



## POA 2.b

### Whangaparaoa Road upgrade

#### Roads

The contract for design has been awarded to GHD. A review of the investigation stage has been completed and a scoping report has been produced. An additional topographic survey has been undertaken.



## POA 2.c

### Progressing the northern strategic growth area

#### Roads

#### Shared space – Town Square

Ongoing discussions are taking place with Auckland Council and New Zealand Retail Property Group to agree the wider service level for the entire Northern Strategic Growth Area site.

#### Rua Road South and Don Buck Road extension construction

The tripartite agreement for the bulk earthworks has been signed by all parties and construction work on the bulk earthworks has commenced on site.

A request to tender for the construction of Rua Road South is currently being advertised and it is intended that the contract be awarded late February/early March 2013.

#### Northside Drive East notice of requirement

The notice of requirement has been lodged with Auckland Council and a Section 92 request for further information has been received and is being responded to. Auckland Council Property Limited has been briefed on the properties to be acquired and discussions have commenced with willing sellers with the intention of purchasing those properties by 30 June 2013.

#### Fred Taylor/Garelja Intersection

Land acquisition negotiations have commenced with the intention of purchasing all properties by 30 June 2013. The recent open day identified a property owner that was opposed to the work and the design has been modified eliminating the need to purchase any land from this owner.

#### Hobsonville Road notice of requirement

An initial review of the Hobsonville Road intersection designs has indicated that roundabouts may provide a better transport solution than the signalised intersections that are currently designed and require less land take. Further modelling work is being undertaken and assuming this conclusion is verified, a paper will be put to Decision Value Assurance Committee (dVAC) seeking approval to modify the design and vary the notice of requirement.

#### Hobsonville Point park and ride

A business case is being jointly prepared by the Commercial Manager, Parking Services and Public Transport Operations for the provision of a permanent park and ride at Hobsonville Point. The park and ride that will operate from day 1 of ferry services is located on land leased from HLC. The leased land will not be available to Auckland Transport after 2016 when HLC will commence land development. The proposed site for the permanent park and ride is within the Marine Industry Precinct. The land developer - Auckland Council Property Limited (ACPL) needs confirmation by March 2014 that Auckland Transport is committed to acquire the land for the park and ride. If this confirmation is not received, ACPL will use the parcel of land for other purposes.

# Programme of Action CONTINUED

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## Roads

### POA 2.d

Working with New Zealand Transport Agency (NZTA) and Auckland Council on land use planning and transportation issues in order to inform route protection processes for the additional Waitemata Harbour Crossing

NZTA is currently looking into the timing for the additional Waitemata Harbour Crossing, and Auckland Transport is working with NZTA on that.



## Multi Modal

### POA 2.e

Reviewing public transport services in the Southern initiative area and carrying out a customer survey and education campaign about transport services of the area

The Southern initiative area will be the first part of Auckland to see the new public transport network implemented, subject to an extensive consultation and tendering process (see POA 3.l below). Consultation in the South is currently scheduled to begin in April 2013, subject to the Auckland Transport Board adopting the Regional Public Transport Plan beforehand. Subject to the detailed local consultation process, bus services in the South will be put out to tender later in 2013. Work has begun on designing a bus interchange at Otahuhu Train Station, to enable buses to connect with trains at that point.



# Programme of Action CONTINUED

## 3. PROGRAMME OF ACTION 3 – PRIORITISE AND OPTIMISE INVESTMENT ACROSS TRANSPORT MODES



**Multi  
Modal**

### POA 3.a

#### Integrated transport ticketing and fares

The Auckland Integrated Fares System (AIFS) project, branded Auckland Transport HOP (AT HOP), is the creation of an integrated smartcard ticketing system that can be used on all modes of Auckland's public transport system.

- Auckland Transport HOP went live for all rail trips on 27 October 2012:
  - Electronic Gates at Newmarket and Britomart are operational.
  - Planning commenced for the electronic gates at Manukau Station, due in 2013.
  - Ticket Offices at Newmarket and Britomart upgraded, new Ticket Office at New Lynn is now fully operational.
  - Customer Service Centres (CSC) opened at Britomart, Newmarket, New Lynn and AUT University.
- Auckland Transport HOP went live for ferry services on all operators on 30 November 2012:
  - Planning has commenced for installation of electronic gates at the Downtown Ferry Terminal - Pier 1, due in 2013.

- As at 8 January 2013, 53,600 AT HOP Cards have been issued.
- Rail and Ferry Ticketing Operations passed from AIFS Project Team to PT Operations.
- Revenue Protection Officers started conducting roving inspections on rail and ferry journeys to prevent fare evasion. As of 21 December 2012 only AT HOP cards and AT HOP paper tickets are now accepted for rail travel.
- From January 2013 an 'In Transit Fare' of \$10.30 (maximum rail fare) is being issued to all passengers found on the train or exiting at the gate line without a validated HOP card or a paper ticket, regardless of length of rail journey.
- AT HOP website ([www.athop.co.nz](http://www.athop.co.nz)) was launched, additional functionality including on-line top-up and linking accounts is now available. Further enhancements due in March 2013.
- Detailed planning has commenced for the implementation of the bus ticket solution.
- Confirmed that current users of HOP/ Snapper cards and other bus service cards will get an AT HOP card for free.



*AT HOP went live for ferries and trains*

# Programme of Action CONTINUED

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## POA 3.b

Local road improvements associated with State Highway 20 Waterview and State Highway 16 upgrades



### Tiverton to Wolverton Street improvements

- Piloting works to identify drilling corridor on northern side of Tiverton Road from Blockhouse Bay Road to Whitney Street is continuing.
- Pavement works are being planned for February and March 2013, subject to completion of the utility works.
- Undergrounding of services from Blockhouse Bay to St Georges is substantially complete.
- Olympic park is scheduled to be completed in February 2013.
- Planning for Blockhouse Bay road construction is well underway.
- Kerb and channel and footpath on the southern side of Wolverton from Miranda to Blockhouse Bay is scheduled to be completed by end of January 2013.
- All services from New Windsor to Blockhouse Bay Road on the southern side have been installed, currently working on commissioning.

Roads

### Te Atatu Road

- Of the total 104 acquisitions, 24 have been completed, with a further 23 either in the process of approving the verbal agreement, or with the owners' solicitor for agreement signing prior to settlement.

- The bulk of outstanding acquisitions have not yet concluded due either to negotiation over physical mitigation solution, absentee and foreign ownership. A small number of property owners are opposed to the project and solutions to the intractability is currently being considered.
- Auckland Transport Board consented to issue Section 18 Notices for some vendors who had not responded. These notices were put to the Board in two stages and are now under action.
- The process of appointing an advocate (community liaison) is well under way. Appointment documentation (approved by the potential position-holder, the Henderson/Massey Local Board officers, and Auckland Transport Property) is now being progressed.

### Lincoln Road

- The traffic modelling to finalise the road layout and the tie-in with NZTA motorway interchange has now been completed.
- Liaison with NZTA to finalise the proposed tie-in with both proposed works interface is on-going.
- Project stakeholder consultation has been completed regarding the final proposal.
- The draft preliminary design is anticipated to be delivered by the end of January 2013.



Artist's impressions of Wolverton Street and Tiverton Road

# Programme of Action CONTINUED



## POA 3.c

East/West connection (linking State Highway 1 to State Highway 20 around Neilson Street)



### Roads

- The preparation of an Investment Logic Map (ILM) has commenced with the 'Problem and Benefit Statements' agreed by all key stakeholders and agreed to by the Implementation Executive Group.
- Work has commenced on the production of the economic benefit assessment methodology and reporting, in support of the programme business case.
- Initial traffic modelling has been prepared summarising the impact of the waterview connection on the traffic flow on Neilson Street and in the general Multi Modal East West Solution (MMEWS) project area.
- Origin/Designation survey using Automatic Number Plate Recognition (ANPR) technology and video recording of the key intersections in the MMEWS project area has been completed.



## POA 3.d

Rail station upgrades on the electrified network, including the new Parnell Station

### Rail

Auckland Transport is working towards upgrading the region's rail stations to accommodate longer trains and greater passenger numbers, improve security and information, and to meet disability access standards.

The new rail stations all have modern shelters and seating, CCTV security monitoring, emergency help points, improved lighting, improved access for the mobility impaired, safety markings including yellow tactile strips strategically placed on the platform for the visually impaired, public address system, information display boards showing timetable information and way finding signage/maps.

Progress on the different stations are enumerated below:

- **Remuera Station** upgrade has been completed.
- **Onehunga Station** platform extension and staff toilet works have been completed.
- **Greenlane Station** Substantially complete and at Practical completion.
- **Penrose Station** construction commenced on site early September 2012 and is in final stages of completion pending arrival of Project Initiation Documents for installation in January 2013.
- **Otahuhu Station** construction upgrade is in the final stages of completion pending arrival of Project Initiation Documents for installation in January 2013.
- **Mount Albert Station** contract has been awarded and works are underway.
- **Papakura Station** platforms 3, 4 and ticket office have been completed and are now open. Platform 2 works are underway, along with bus interchange civil work. It is planned to complete all works by Easter 2013.



Looking towards the Papakura station ticket office



# Programme of Action CONTINUED

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- **Parnell Station** enabling works scope design around the main line stream access is almost complete. Auckland Transport is working closely with Auckland Council and other stakeholders on the master planning around the station environment. The detailed design estimate for the station construction has been completed.
- **Swanson Station** works for the diesel dock platform are on hold while a decision on services to Waitakere is expected by April 2013. The station works will be followed by the construction of an extended park and ride area adjacent to the existing one.
- **Manukau Station Interchange**
  - The Manukau Institute of Technology (MIT) building above the station is well into construction, with an estimated completion date of 3 May 2013.
  - Track infilling works to accommodate electronic ticketing gates was completed over the Christmas rail shutdown. Interface works at platform level is also underway with completion scheduled for end Feb 2013. Station ticket gating planning is well underway with a view to completion mid-2013, subject to final funding approvals. MIT and AT main project building works are tracking very closely with programme and under constant scrutiny to ensure no delay to completion.
  - Detailed design for Davies Ave, to serve the MIT development and future bus interchange has been completed. The work is out for tender with forecast completion in mid-2013.



## Roads

### POA 3.e

#### Implementation of the Regional Land Transport Programme (RLTP) 2012-2022

Between October and December 2012, 18 new funding applications totalling approximately \$47.5m were submitted to NZTA for consideration. Local share represents approximately half of this cost. 13 funding applications worth \$38.6m have been approved by NZTA while remaining 5 applications worth approximately \$8.8m are awaiting approval. Notable projects approved during this period include:

- First year financing of EMU and EMU Depot \$19m;
- Upgrading of Mt Albert station \$9m; and
- 3 years funding for Corridor Management Plans \$7m which will guide the development of our major arterials.

In July 2012 NZTA offered Auckland Transport delegated funding authority, which means Auckland Transport now has the ability to approve the funding of its own applications for NZTA subsidy up to \$5m. In order to ensure that NZTA's funding guidelines are met, NZTA and Auckland Transport are currently working together to approve applications. NZTA will step back and allow Auckland Transport full authority in the near future.

# Programme of Action CONTINUED



**Multi  
Modal**

## POA 3.f

Progress on the Panmure package of the Auckland Manukau Eastern Transport Initiative (AMETI) – a major, multi-year project to develop integrated multimodal infrastructure between Glen Innes and Manukau City Centre

Considerable progress has been made on the Auckland Manukau Eastern Transport Initiative (AMETI) Panmure construction works. The extension to Mountain Road was opened on 17 September 2012.

The new interchange bridge, which enables traffic to be diverted from the existing Ellerslie-Panmure Highway Bridge, has been completed and was opened to traffic on 25 November 2012. The existing Ellerslie – Panmure Highway Bridge has been demolished during the KiwiRail Christmas block of line and construction of the replacement bridge has commenced.

Construction of works associated with the Panmure station and 220 metres long covered box adjacent to the Panmure station are also progressing well and on programme. Excavation, construction of foundations and substructure have been completed. The deck to covered box and the station concourse are now being placed.

The consent hearing for construction of the AMETI Link Road was held in late November 2012. Considerable work has been undertaken to address issues raised in submissions. The commissioners' recommendation has been received. An appeal from one of the submitters is expected which will delay commencement of these works. The extent of the delay is unknown at this time.

The investigation and design of the South-Eastern Urban Busway extending from Panmure to Pakuranga continues to be progressed. The design of the busway between Panmure and the Panmure Bridge has been completed. Discussions continue with iwi regarding the impact of the proposed alignment on the culturally significant Mokoia Pa site adjacent to the Panmure Bridge.

The Scheme Assessment Report for the busway between Panmure Bridge and Botany is well advanced, but has been delayed by additional work required to address planning issues at Pakuranga Town Centre.

Scheme assessment work for bus interchange changes at Sylvia Park has been completed.

Auckland Transport is undertaking work with the NZ Transport Agency (NZTA) to revise the AMETI Programme implementation plan and is also investigating options for connections to the west of the AMETI area.

Key land required at Panmure and along the busway corridor to Pakuranga continues to be acquired.



*An artist's impression of the completed AMETI Panmure development*

# Programme of Action CONTINUED

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Ferry

## POA 3.g

### Ferry network extension to Hobsonville and Beach Haven

Procurement of this service is complete and a working group with Auckland Transport and 360 Discovery Ltd representatives has commenced on the implementation of the service.

The construction of the wharves is on track for services to start 4 Feb 2013.

*An artist's impression of the new ferry terminal at Hobsonville, with a 70 metre long walkway to a floating pontoon*



## POA 3.h

### Ferry terminal upgrades including Half Moon Bay, Bayswater, Downtown and Devonport

#### Half Moon Bay

Master plan is complete and final preparations are underway for Auckland Transport technical sign off and Auckland Transport Board endorsement in March 2013.

#### Bayswater

- The main Bayswater project construction has been prioritised to commence in 2013/2014.
- Over the next few months a more detailed evaluation and design scope will be defined leading to an early conclusion of the preferred detailed design solution.

#### Downtown

- The Downtown Pier 1C project has been completed, along with testing by Fullers.
- The wider development of the Downtown ferry operations are under review and will lead to more efficient, effective defined operations.

#### Other terminal upgrades:

##### Hobsonville

- Detailed designs of the gangway and walkway have been completed.
- Construction contract has been awarded and works are now underway. It is expected to be completed by January 2013. Opening on 3 February has been confirmed with services starting 4 February 2013.

##### Beach Haven

- Design and build contract has been awarded. This is expected to be completed late January 2013.
- Opportunity to co-ordinate Beach Haven Road repairs with the commencement of ferry operations is being explored.
- Tree removal is underway and pontoon berth is under construction offsite.



# Programme of Action CONTINUED



## POA 3.i

Progress on the Dominion Road upgrade project which will improve bus speeds and reliability on this key link in the Quality Transit Network



The Auckland Transport Board has approved a \$47M option to progress to detailed design. This option provides for continuous bus priority along the route during peak hours, without the need to widen the section of Dominion Road located north of Mt Albert Road. It also creates two cycle routes, running parallel to Dominion Road but on less trafficked streets.

Roads

The option was communicated to all key stakeholders through direct presentation, and to the wider public through two public information days held in November. Both days were well attended and the feedback received from these days will be incorporated into the detailed design stage.

The funding application for the detailed design stage will be submitted to the NZTA in early 2013 with an expected commencement of detailed design in July 2013.



## POA 3.j

Further implementation of the New Lynn Transport Oriented Development, including transport centre and interchange

Multi Modal

### Stage 1

Section 18 notices were issued to Daverns on 4 July 2012 to complete the land transactions for the remaining portion of land that requires compensation. These Section 18 notices have not resulted in progress.

Auckland Transport Board approved the issue of a Section 23 notice at the Board meeting in December 2012 which will be issued following the approval of the December Board meeting minutes on 25 January 2013. The remaining land transactions will then be completed.

### Stages 2 and 3

The Clark Street Extension and Totara Avenue shared space have been completed.

### Stage 5 - Great North Road

The construction is progressing well and the asphalt work on the carriageway has been completed in December 2012. Current construction work is focussing on footpath upgrades with the speed tables programmed for early 2013.

*New Lynn Transport Interchange, the winner of the 2012 New Zealand Architecture Award for Planning and Urban Design Excellence*



# Programme of Action CONTINUED

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## Stage 6 - Crown Lynn

No budget is available this year and this part of the project is on hold pending outcomes from land negotiations currently underway by Auckland Council Property Limited.

## Stage 7 - McCrae Way

Delays to the completion of facing panels for the medical building have delayed the completion of the final stages of the McCrae Way contract. This road is now scheduled for practical completion in February 2013.

## Canopies

The construction contract has been completed.

Multi  
Modal

## POA 3.i

Review of public transport network structure to offer a logical, intuitive and integrated public transport network, and implement revised bus services across the region to establish the core and supporting services of the revised network structure

The proposed review of the Regional Public Transport Plan was released for public consultation on 5 October 2012, with submissions closing on 5 November 2012. The plan proposes a significantly restructured public transport network including, in addition to the Rapid network (the northern busway and the eastern, southern and western rail lines), a Frequent network of approximately 30 bus routes which will operate at least every 15 minutes between 7 am and 7 pm, seven days a week (and outside these hours but not necessarily at high frequency). The frequent services on the Rapid and Frequent networks will be supported by a layer of local routes which will operate at least every 30 minutes during the same operating hours, as well as targeted minor, peak only and school services. The Regional Public Transport Plan is expected to be adopted by the Auckland Transport Board in early 2013, followed by detailed local consultations beginning with the South network. These will be followed by service procurement.

Multi  
Modal

## POA 3.k

Procurement of new performance based bus and ferry service contracts under a new Public Transport Operating Model legislative framework

- Final guidance and advisory documentation from New Zealand Transport Agency is still being developed with the multi-regional and multi-operator representative Implementation Advisory Group (successor to the Core Working Group).
- Draft Public Transport Operating Model contracts are under-going final internal review prior to issue for comment to industry.
- The consultation and adoption of the Regional Public Transport Plan in March 2013 followed by Local Public Transport Service Consultations for South (early 2013), North (late 2013) and East, West, Central (early/mid 2014) will determine procurement timeframes for new services under new Public Transport Operating Model contracts.



Rail

## POA 3.m

Implementation into service of new electric train fleet and transition of diesel fleet

- First electric train delivery on-track for third quarter 2013.
- Operational service implementation plan is being finalised with first in-service trains targeted for early 2014.
- Electrification of the Auckland network is progressing with significant works across the network including preparatory work for gantry and electric supply cables at Britomart during the Christmas 2012 closure.

# Programme of Action CONTINUED

## 4. PROGRAMME OF ACTION 4 – IMPLEMENT NEW TRANSPORT FUNDING MECHANISMS



### Funding

### POA 4.a

Contribute to Auckland Council's investigations into new funding mechanisms required to help finance the approximate \$10-\$15 billion total funding shortfall for transport infrastructure projects (such as the City Rail Link and additional Waitemata Harbour Crossing)

Auckland Transport has been an active participant in the Consensus Building Group established by the Auckland Council to consider alternative transport funding options. The Group has identified a number of funding tools that should be taken off the table, and others for which further evaluation is needed. Auckland Transport is contributing to this analysis.



### Roads

### Cycling

## 5. PROGRAMME OF ACTION 5 – TRANSPORT SAFETY INITIATIVES

### POA 5.a

### Implementing crash reduction programme

The crash reduction study programme is proceeding as planned with 12 studies completed, 25 projects in ongoing detailed design phase and 10 projects constructed. Details follow:

#### North

- Studies completed
  - Carlisle Road
  - Paremoremo Road
- Detailed design phase
  - Kahikatea Flats Road
  - Old North Road
  - East Coast Road Route
- Construction completed
  - Parkhurst Road
  - Inverness/Glen Road Intersection

#### South

- Studies completed
  - Birds Road
  - Chapel Road
  - Favona Road
  - Redoubt Road
  - Massey Road
- Detailed design phase
  - Wallace/Kirkbride Road
  - Mahia/Sykes Road
  - Porchester/Popes Road
  - Murphys Road
  - Papakura-Clevedon Road
  - Clevedon-Kawakawa Road
  - Awhitu Road - Kingesta Road
  - Waiuku Road
  - Glenbrook Road
  - Mill/Airfield Road
  - Mill/Ranfurly Road
  - Sandstone/Whitford Road



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- Construction completed
  - Clevedon-Kawakawa Road Guardrails
  - Linwood/Batty Road Intersection
  - Point View Drive Speed Limit Change
  - Ihumatao Road

## West

- Studies completed
  - Scenic Drive
  - Swanson Road
  - Huia Road
  - Henderson Valley Road
  - Don Buck Road
- Detailed design phase
  - Candia Road
- Construction completed
  - Stage 1 signage on Piha Road

## Central

- Detailed design phase
  - Wyndham Street pedestrian crossing
  - Mt Eden/Akiraho Intersection
  - Albert St mid-block signals
  - Williamson/ MacKelvie Intersection
  - Mt Eden/Normanby Road- Rosebank/Ash Road Intersection
  - South Eastern Highway/Waipuna Road
  - Stoddard Road
  - Point Chevalier/Great North Road
- Construction completed
  - Aranui Road
  - Carlton Gore Road/George Street Intersection
  - Tamaki Drive Stage 1



## Roads

### POA 5.b

#### Reducing identified black spots

**High crash – risk locations (black-spots)** outside of the Crash Reduction Study Programme have been identified and prioritised for minor safety improvements, safety around schools improvements and improvements resulting from fatal crash investigations. Details follow:

#### Minor Safety Improvements

##### North

- Detailed design phase
  - Lake Pupuke Cycle Route (Taharoto Rd and Anzac St)
  - Ocean View and Hillcrest Road splitter island
  - Oraha/Matua Road intersection
  - Kahikatea Flats Road
  - Old North Road
  - Firth/Carlisle Road intersection

##### Construction completed

- o Parkhurst Road

##### South

- Detailed design phase
  - Wallace Road/Kirkbride Road roundabout
  - Mahia Road/Sykes Road
  - Porchester Road/Popes Road
  - Walter Road to Old Wairoa Road
  - Murphus Road route treatment and shape correction
  - Papakura-Clevedon Road/Clevedon-Takanini Road
  - Awhitu Road route treatment
  - Kingseat road route improvements
  - Waiuku Road route improvements
  - Glenbrook Road route improvements
  - Mill Road/Alfriston Road intersection
  - Pukekohe East Road/Harrisville Road
  - Point View Drive
  - Ararimu Road route improvements.
- Construction completed
  - Porchester Rd/Sherrif Pl right-turn bay

## Programme of Action CONTINUED

### West

- Detailed design phase
  - Rua Road/East Glen Road flush median
- Construction completed
  - Railside Ave pedestrian crossing
  - Swanson/Rathgar Rd Intersection

### Central

- Detailed design
  - Orpheus Drive
  - Wyndham Street pedestrian crossing
  - Mt Eden-Akiraho intersection
  - Albert Street mid-block signals
  - Williamson Avenue/MacKelvie Street intersection
  - Mt Eden Road/Normanby Road shape correction
  - Rosebank Road/Ash Street intersection
  - Stoddard Road pedestrian crossing
  - Cape Horn Road/Hillsborough Road lighting upgrade.
- Construction complete
  - St Heliers Polygon Roundabout
  - Point Chevalier Road/Great North Road friction grip

### Safety Around Schools

#### North

- Three school investigations progressed to detailed design

#### South

- Five ongoing school investigations
- 16 school investigations progressed to detailed design

#### West

- One ongoing school investigation
- Nine school investigations progressed to detailed design

#### Central

- Two ongoing school investigations
- Four school investigations progressed to detailed design

### Fatal Crash Investigations

- 18 fatal crashes have been investigated resulting in 19 recommendations of which five have been implemented to date.



## Non-Financial Performance

There are 31 non-financial performance measures covered by the Statement of Intent for the period 1 July 2012 to 30 June 2013. Out of the 31 non-financial performance measures, only 8 measures have actual results for this reporting period. The remaining 23 measures are an annual measure.

### 1. Non-Financial Performance Measures for which December 2012 Results are Available:

Item Ref	Performance Measure	Actual January 2012 to December 2012 (12 months)	Target July 2012 to June 2013 (12 months)	Actual July 2011 to June 2012 (12 months)
1.a	Total public transport patronage	69,652,135	74,580,000	71,087,755
1.b	Rapid transit network rail boardings	10,022,922	12,376,000	10,904,160
1.c	Rapid transit network busway boardings	2,256,034	2,457,300	2,279,860
1.d	Quality transit network and local connector network bus boardings (including contracted school buses)	52,007,794	54,243,600	52,456,400
1.e	Ferry boardings	5,365,385	5,503,100	5,447,335
1.f	Public transport subsidy per passenger kilometre	\$0.272 (non CPI adjusted) \$0.271 (CPI adjusted)	\$0.27 (non CPI adjusted) \$0.26 (CPI adjusted)	\$0.24 (CPI adjusted)
1.g	Parking: off-street occupancy	62%	57%	52%
1.h	Parking: on-street occupancy	63%	55%	52%

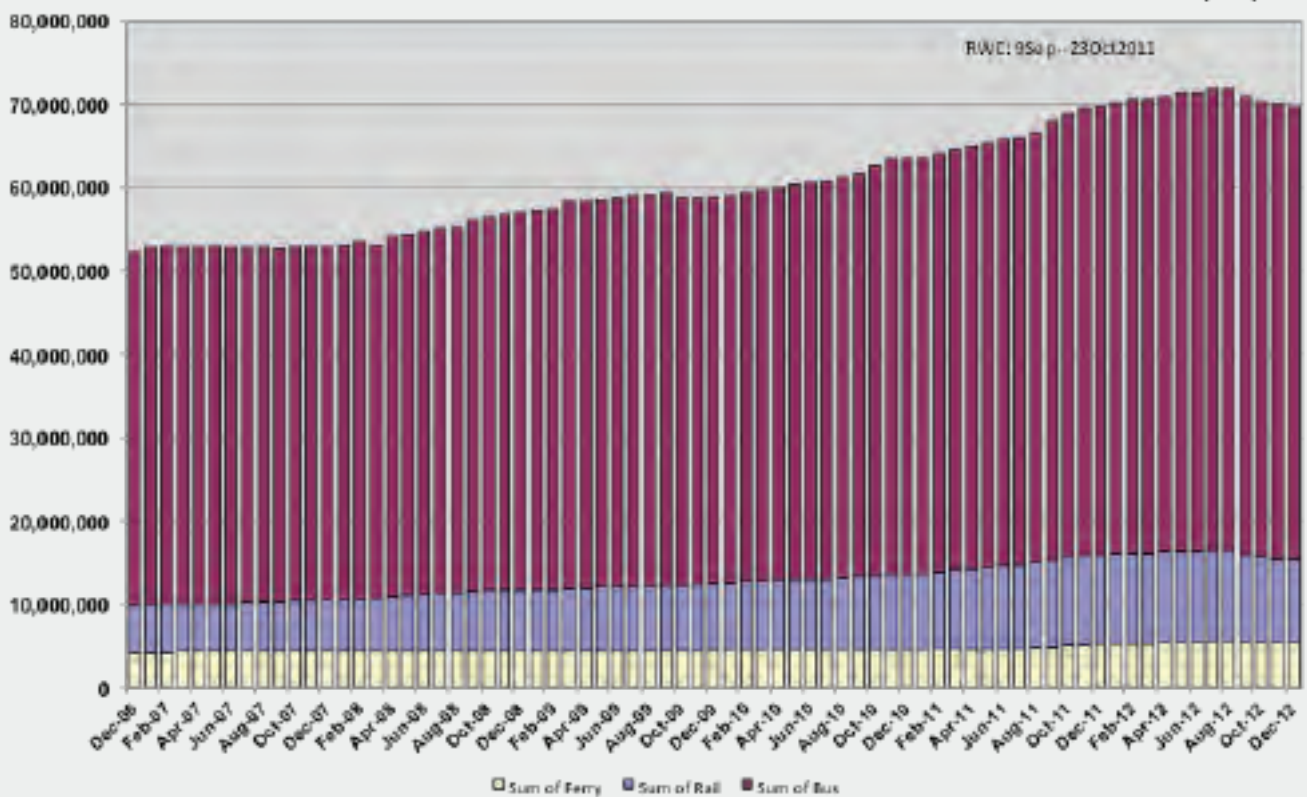


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### Total Patronage 12 Months Rolling Total

69,652,135



#### a. Total Public Transport Patronage

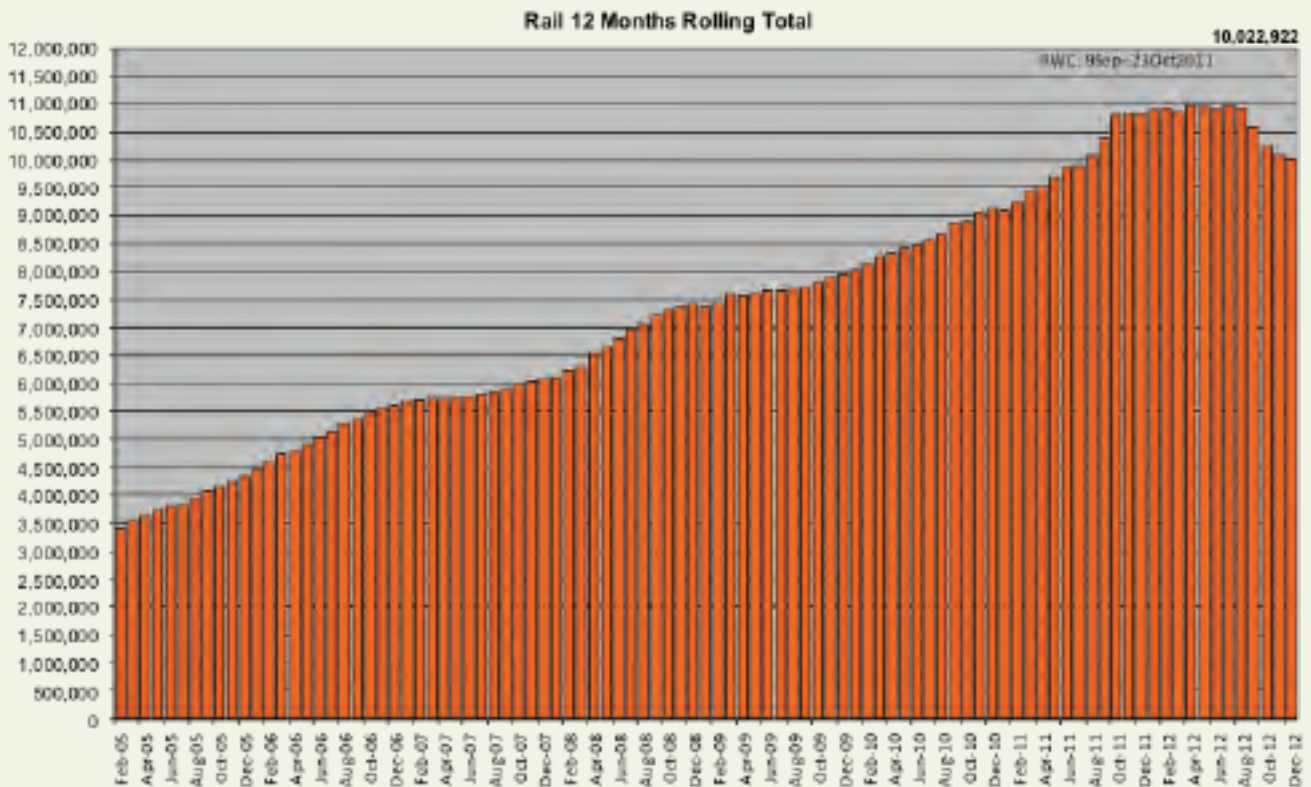
Auckland public transport patronage for the 12 months to 31 December 2012 was 69,652,135 boardings, a decrease of -145,643 boardings or -0.2 per cent compared to the 12 months to 31 December 2011. The previous 12 months period included significant additional public transport use during the period of the Rugby World Cup 2011 (9 September and 23 October 2011). After normalising for RWC 2011, estimated underlying growth shows an improved positive trend at +2.2 per cent.

The 12-month results include a decrease in rail patronage of -7.5 per cent, a flattening change (-0.2 per cent) in Northern Express bus, an increase of +0.9 per cent for other bus services and an increase of +4.5 per cent for ferry services.

December 2012 monthly patronage was 4,393,463 boardings, a decrease of 305,490 boardings or -6.5 per cent compared to December 2011. The main reasons for the decrease of patronage in December 2012 were:

- Change in patronage counting methodology. This primarily explained the -10.8 per cent reduction in rail patronage. Rail patronage is recorded at the time the trip is made under the new ticketing system, which went live on 27 October 2012. While under the legacy manual paper-based system, passenger journeys were accounted for at the time of sale. Paper tickets will not be accepted for travel from 1 January 2013. For the period of 27 October 2012 to 31 December 2012, rail trips using paper tickets previously recorded at the point of sale will result in an artificial negative impact on the reported patronage
- December 2012 included one less business day compared to December 2011 and one day with less demand (Monday 24 December 2012) compared to the average from the previous year due to Christmas holidays.

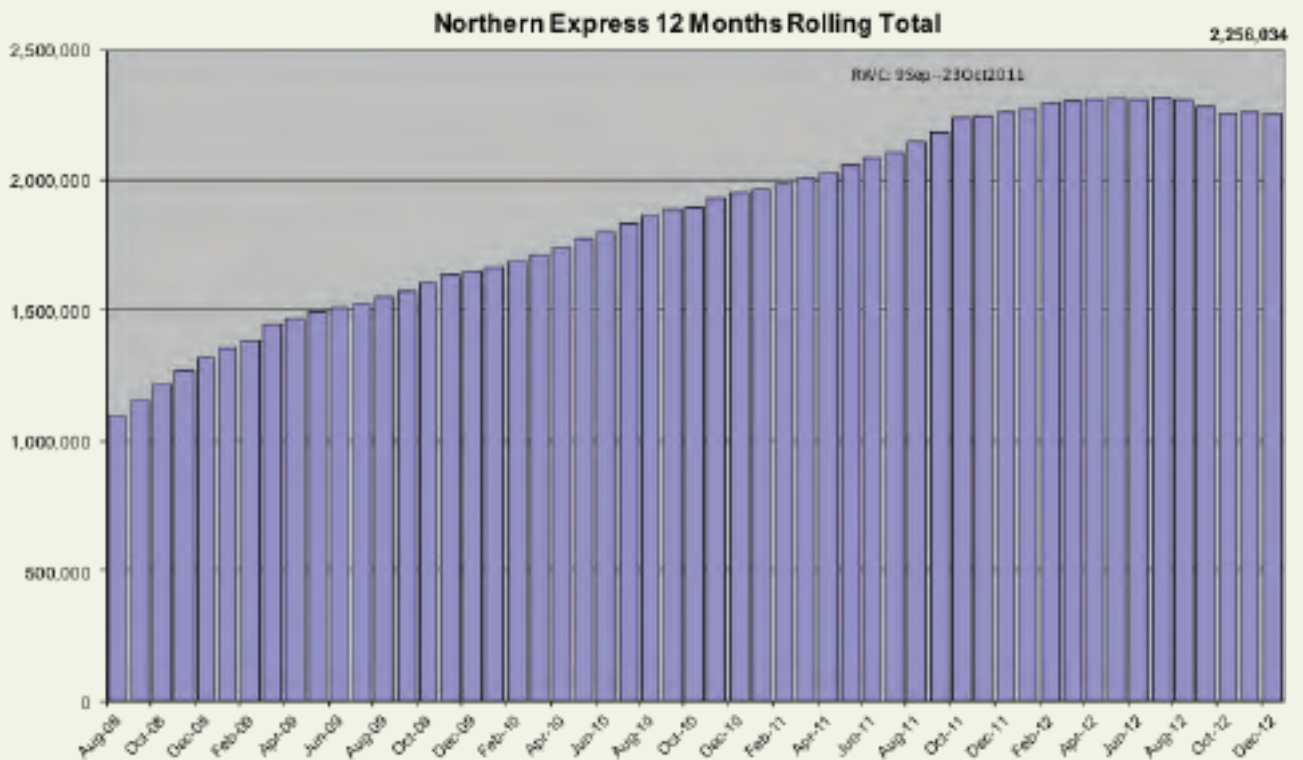
## Non-Financial Performance CONTINUED



### b. Rapid Transit Network Rail Boardings

Rapid transit network rail boardings totalled 10,022,922 passengers for the 12 months to 31 December 2012, a decrease of -814,713 boardings or -7.5 per cent compared to the 12 months to 31 December 2011. Western line rail patronage totalled 3,610,977 passengers, a decrease of -426,062 or -10.6 per cent. Southern and Eastern line rail patronage totalled 6,411,945, a decrease of -388,651 or -5.7 per cent.

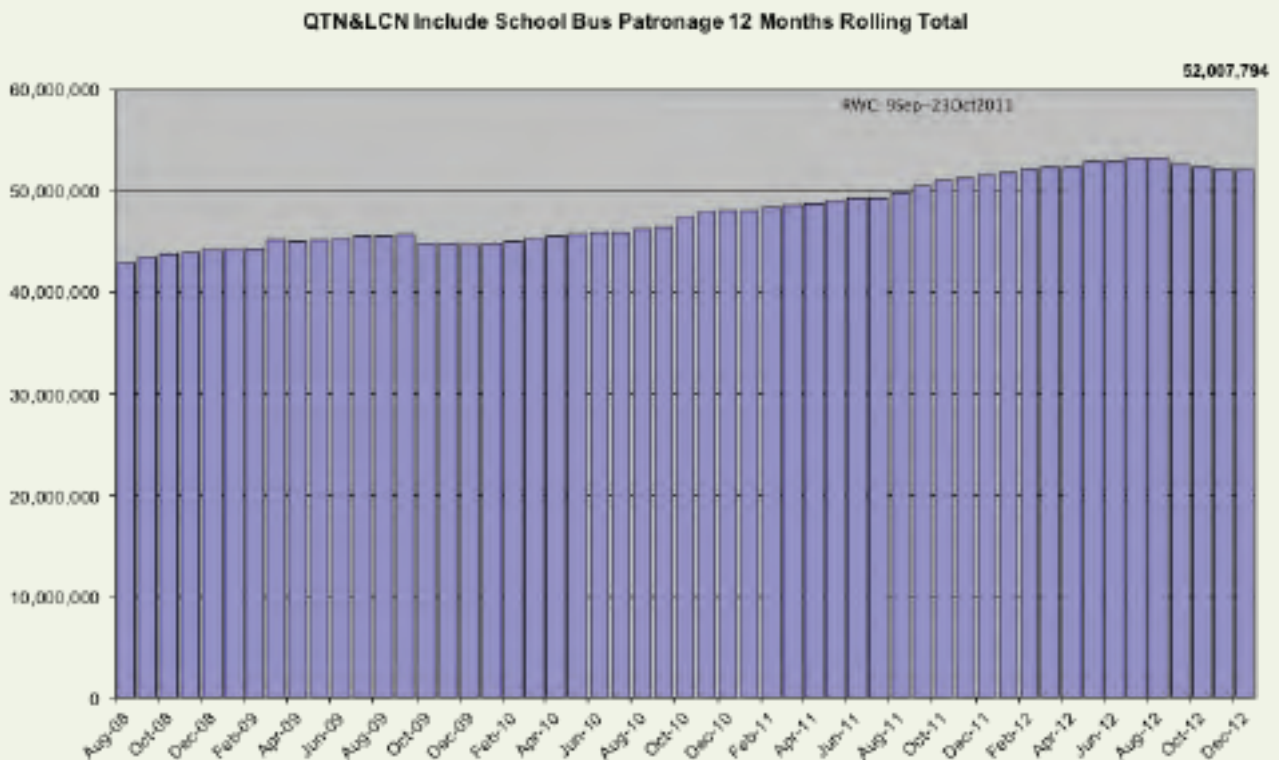
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### c. Rapid Transit Network Busway Boardings

Rapid transit network busway boardings (Northern Express) patronage totalled 2,256,034 passengers for the 12 months to 31 December 2012, a decrease of -5,020 passengers or -0.2 per cent compared to the 12 months to 31 December 2011.

## Non-Financial Performance CONTINUED



### d. Quality Transit Network (QTN) and Local Connector Network (LCN) Bus Boardings (including contracted school buses)

Bus services other than the Northern Express form the majority of services on the quality transit network and local connector network including dedicated school bus services.

Patronage totalled 52,007,794 passengers for the 12 months to 31 December 2012, an increase of 441,868 passengers or +0.9 per cent compared to the 12 months to 31 December 2011.

Bus patronage (excluding Northern Express) by sector:

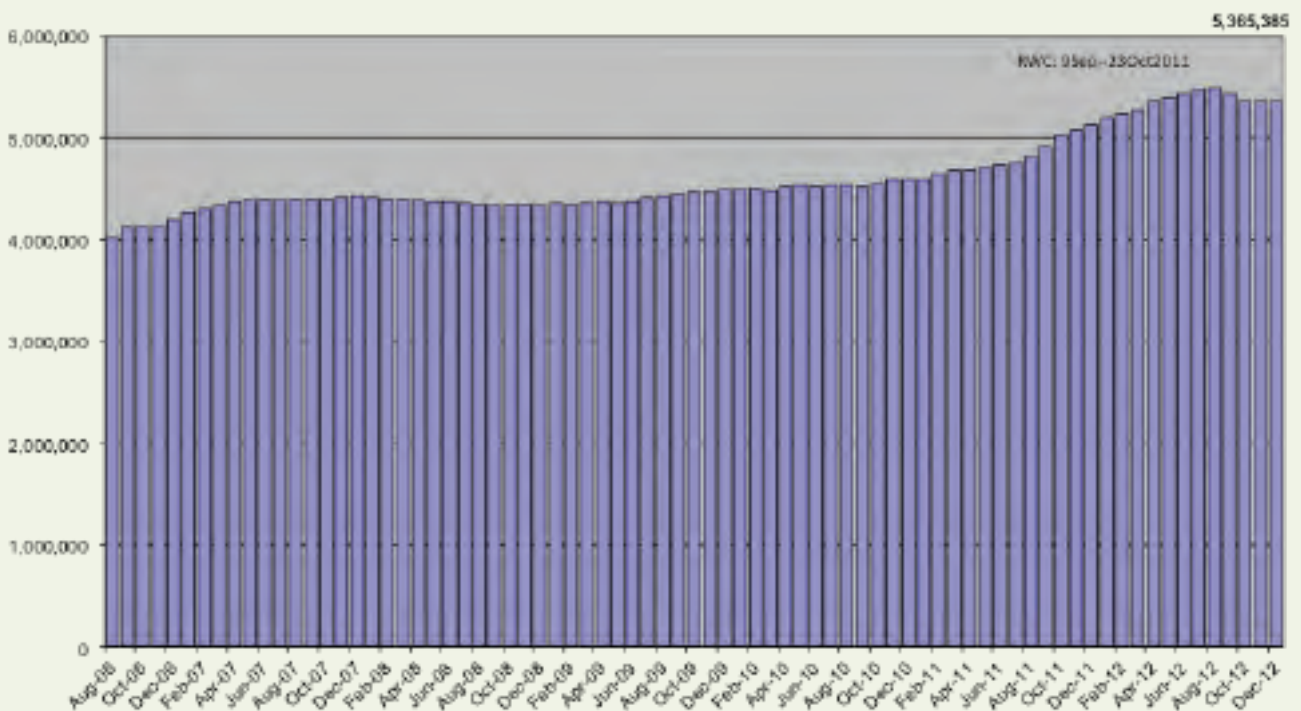
- North sector: 12,854,634 passengers, a decrease of -42,460 passengers or -0.3 per cent
- West sector: 4,953,578 passengers, an increase of +11,810 passengers or +0.2 per cent
- South sector: 10,741,702 passengers, an increase of +25,607 passengers or +0.2 per cent
- Isthmus sector: 25,713,913 passengers, an increase of +764,846 passengers or +3.1 per cent.



# Non-Financial Performance CONTINUED

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Ferry 12 Months Rolling Total



## e. Ferry Boardings

Ferry patronage totalled 5,365,385 passengers for the 12 months to 31 December 2012, an increase of +232,222 boardings or +4.5 per cent compared to the 12 months to 31 December 2011.

The top three ferry boardings by route are:

- 1) Waiheke commercial ferry: 2,282,483 passengers, an increase of +409,510 boardings or +21.9 per cent
- 2) Devonport commercial ferry: 1,707,701 passengers, a decrease of -105,069 boardings or -5.8 per cent
- 3) Half Moon Bay contracted ferry: 326,567 passengers, an increase of +14,214 boardings or +4.6 per cent

## Non-Financial Performance CONTINUED

### 2. Non-Financial Performance Measures for which Results are Not Yet Available:

Item Ref	Performance Measure	Target July 2012 to June 2013 (12 months)	Comments																
2.a	Percentage of public transport passengers satisfied with their public transport services	87%	Annual measure																
2.b	Percentage of residents satisfied with the quality of roads in the Auckland region	No less than 75%	Annual measure																
2.c	Percentage of residents satisfied with the quality of footpaths in the Auckland region	No less than 75%	Annual measure																
2.d	Percentage of residents satisfied with the quality of footpaths in their local area	No less than 75%	Annual measure																
2.e	Walking trips into the central business district (CBD) during the morning peak	2% increase	Annual measure																
2.f	Cycling trips throughout the region during the morning peak	3% increase	Annual measure																
2.g	Number of morning peak (7-9 am) car trips avoided through travel planning initiatives	8,800	Annual measure																
2.h	Total fatal and serious injuries on local road network	2% reduction	Annual measure																
2.i	Public and customer safety and security incidents across public transport network	0.095 incidents per 100,000 passenger boardings	Annual measure																
2.j	Total CO2 vehicle (petrol and diesel powered) emissions	Reduce baseline	Annual measure																
2.k	CO2 emissions from rail network	Reduce baseline	Annual measure																
2.l	Arterial road network productivity: % of road corridor productivity maintained or improving on key arterial routes <ul style="list-style-type: none"> <li>• Airport to CBD via Manukau Road</li> <li>• St Lukes to St Johns via St Lukes Road/Greenlane/Remuera Road</li> <li>• Albany to Birkenhead via Glenfield Road</li> <li>• Henderson to CBD via Great North Road</li> </ul>	50% of the corridor productivity ideal (19,000 person km/hour/lane) to be achieved on nominated key arterial routes	Annual measure																
2.m	Travel times along strategic freight routes during the inter-peak (9am-4pm) 85% of trips are travelled within these travel times (in minutes) <table border="1" style="margin-left: 20px;"> <tbody> <tr> <td>From SH20 to SH1 via Nielson St</td> <td>16</td> </tr> <tr> <td>From SH1 to SH20 via Nielson St</td> <td>13</td> </tr> <tr> <td>From Sylvia Park to East Tamaki via South-eastern arterial</td> <td>11</td> </tr> <tr> <td>from East Tamaki to Sylvia Park via South-eastern arterial</td> <td>12</td> </tr> <tr> <td>From SH1 to SH18 via Wairau Rd</td> <td>8</td> </tr> <tr> <td>From SH18 to SH1 via Wairau Rd</td> <td>8</td> </tr> <tr> <td>From East Tamaki to SH1 Highbrook interchange via Harris Rd</td> <td>10</td> </tr> <tr> <td>From SH1 Highbrook interchange to East Tamaki via Harris</td> <td>11</td> </tr> </tbody> </table>	From SH20 to SH1 via Nielson St	16	From SH1 to SH20 via Nielson St	13	From Sylvia Park to East Tamaki via South-eastern arterial	11	from East Tamaki to Sylvia Park via South-eastern arterial	12	From SH1 to SH18 via Wairau Rd	8	From SH18 to SH1 via Wairau Rd	8	From East Tamaki to SH1 Highbrook interchange via Harris Rd	10	From SH1 Highbrook interchange to East Tamaki via Harris	11	Maintain travel times for 85th percentile	Annual measure
From SH20 to SH1 via Nielson St	16																		
From SH1 to SH20 via Nielson St	13																		
From Sylvia Park to East Tamaki via South-eastern arterial	11																		
from East Tamaki to Sylvia Park via South-eastern arterial	12																		
From SH1 to SH18 via Wairau Rd	8																		
From SH18 to SH1 via Wairau Rd	8																		
From East Tamaki to SH1 Highbrook interchange via Harris Rd	10																		
From SH1 Highbrook interchange to East Tamaki via Harris	11																		











Tickets

Financials

# 03

- SECTION 01
- SECTION 02
- SECTION 03

Ticket  
Top-up  
Machine

Buy your  
boarding

# Financial Performance CONTINUED

## Financial results for the six months ended 31 December 2012:

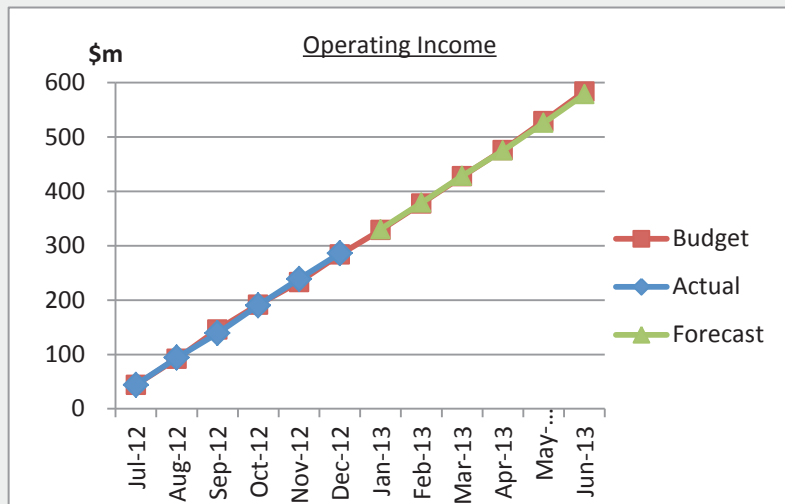
	Current month variance to Budget \$m	Year to date variance to Budget \$million	Year to date results	Year to date Actual \$million	Year to date Budget \$million	Full year Forecast \$m	Full Year Budget \$million
Total operating income	1.4	3.8	↑ ●	286.4	282.6	578.7	583.6
Total operating expenditure	(0.7)	(22.2)	↑ ●	417.9	395.7	844.3	824.2
Surplus/(deficit) from operations	0.7	(18.4)	↓ ●	(131.5)	(113.1)	(265.6)	(240.6)
Income for capital projects	19.7	425.2	↑ ●	539.3	114.2	677.2	243.0
Net surplus/(deficit) before tax	20.4	406.8	↑ ●	407.8	1.0	411.6	2.4
<b>Total capital expenditure</b>							
	(11.9)	(407.1)	↑ ●	692.4	285.3	690.6	719.8

### Key to symbols used:

↔	: Within tolerable range	↑	: Above budget, favourable variance
↓	: Below budget, unfavourable variance	●	: Achieved budget or better
↘	: Below budget, favourable variance	●	: Monitoring, some action taken
↗	: Above budget, unfavourable variance	●	: Action required

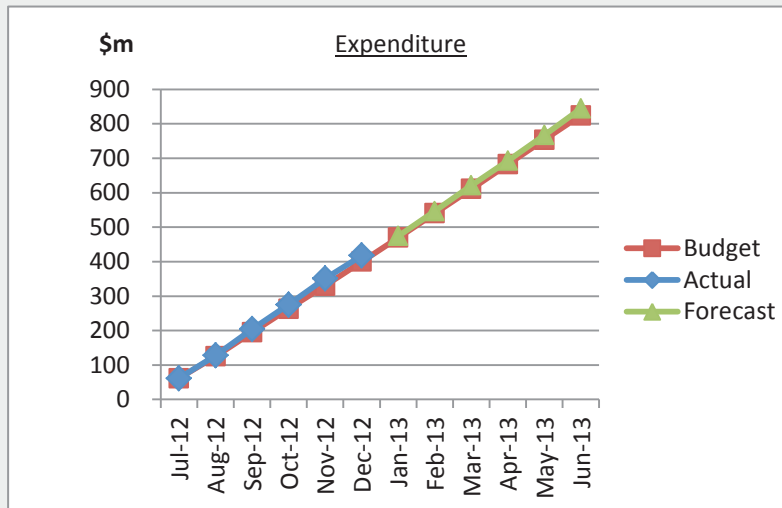
Net surplus before tax year to date is \$407.8m. This is \$406.8m favourable to the budgeted surplus of \$1.0m due to higher than budgeted operating income of \$3.8m and income for capital projects of \$425.2m (this includes \$414.4m unbudgeted vested assets from NZ Transport Agency and Auckland Council). This is partly off-set by an additional \$22.2m of operating expenditure.

Excluding the \$414.4m unbudgeted vested asset income, the financial result is a Net deficit before tax year to date of \$6.6m which is \$7.6m unfavourable to the budgeted surplus of \$1.0m.



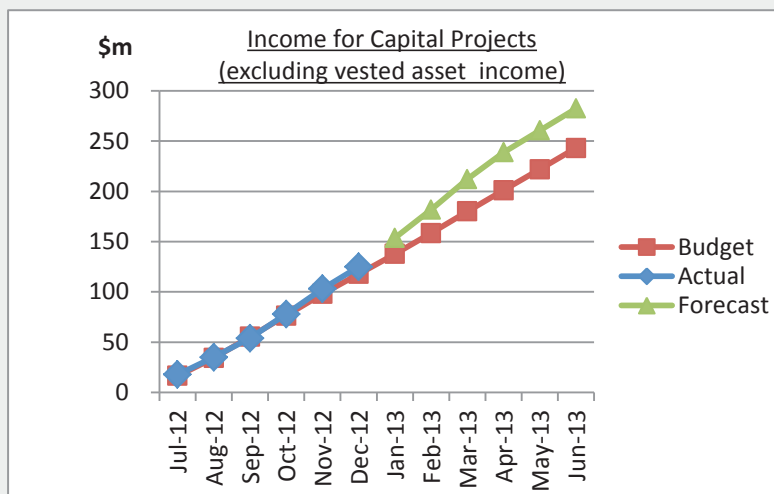
Total operating income year to date is \$3.8m favourable to budget. This is mainly due to an additional \$1.1m cell phone site rental income, \$1.7m unbudgeted reimbursements of street maintenance costs from Auckland Council and \$0.7m additional NZ Transport Agency funding.

# Financial Performance CONTINUED

SECTION  
01SECTION  
02SECTION  
03

Total operating expenditure year to date is above budget by \$22.2m mainly due to:

- \$4.4m interest rate swap loss due to a \$6.6m loss from the close out of interest rate swaps partly offset by \$2.2m unrealised interest rate swap gain. The losses on the interest rate swap close outs are due to the market interest rate being lower than the contract rate for the swaps, however Auckland Transport will be paying lower fixed interest rates for related borrowing till April 2023
- \$5.9m additional depreciation and amortisation partly due to unbudgeted vested assets
- \$7.2m of street maintenance costs; higher than budgeted rates payment of \$1.3m
- streetlighting costs of \$1.6m above budget however it is expected that this is a timing difference and will be within annual budget.



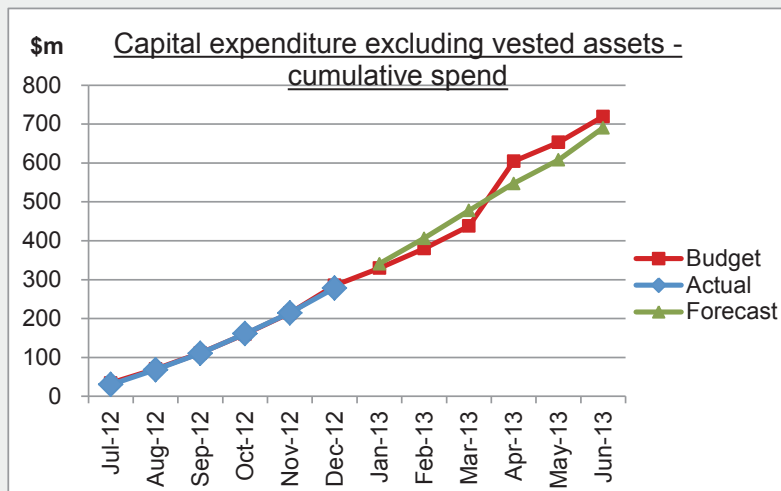
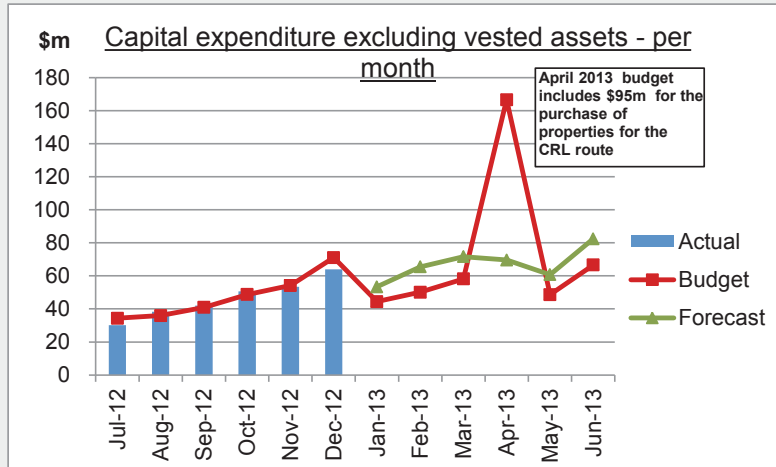
## Financial Performance CONTINUED

Income for capital projects year to date is above budget by \$425.2m primarily due to \$414.4m vested asset income. The receipt of the vested asset is a non-cash transaction. The fair value of the vested asset was recorded as a fixed asset in the Statement of Financial Position and recognised as income in the Statement of Financial Performance.

Excluding vested assets, year to date income for capital projects is above budget by \$10.7m primarily due to NZ Transport Agency capital funding being higher than expected.



# Financial Performance CONTINUED

SECTION  
01SECTION  
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03

Capital expenditure, excluding vested assets, year to date was \$278.0m, which is \$7.3m lower than budget due to delayed spending on EMU project of \$11m and new capital expenditure of \$2.6m, partly offset by renewal capital expenditure ahead of budget by \$6.4m. The full year budgeted capital expenditure is \$719.8m.

Capital expenditure is forecast to be under budget by \$29.2m mainly due to the reduction of \$66.5m in land purchase costs in the CRL project partly offset by increase of \$27m in AIFS and \$15.8m in NORSGA, AMETI projects. The total forecast programme for the year to June 2013 is \$690.6m.

The **asset position** is sound with net assets of \$14.2 billion at the end of December and cash flow funding arrangements are in place to ensure all liabilities can be met.

## Financial Performance CONTINUED

### D. Alignment

Auckland Transport, by its nature, exists within many interdependent networks, including functional, relational, and structural. Auckland Transport recognises that it is vital that its programmes and policies are aligned with those of its partners.

Auckland Transport and Auckland Council collaborate closely in many areas, including budget formation, city and town centre planning, public transport, network management including major events, major land developments, and strategic direction and governance.

Auckland Transport has a team dedicated to ensuring Auckland Council's Local Board concerns and priorities are considered within Auckland Transport. Local Board Engagement Plans include detailed reporting on transport activities through quarterly and monthly reporting, and through issue-specific workshops.

Auckland Transport engages closely with other Auckland Council CCOs. This includes Auckland Waterfront and ACIL's Ports of Auckland Ltd concerning waterfront transport issues, and with Watercare on pipeworks and road openings. This also includes integrating new public transport and road corridor infrastructure with Council-led developments.

Auckland Transport liaises closely with Maori, both mana whenua and mataawaka, through all major projects such as the AMETI and CRL land designations. It also liaises closely with affected iwi in early stages of planning such as for the proposed East-West Link. This includes considering advice from the Independent Maori Statutory Board, and Council's own Maori unit.

The strong degree of alignment between Auckland Transport and Auckland Council and its entities can be best illustrated by the number of projects giving effect to the Auckland Plan within town centres such as Manukau City Centre, Ormiston Town Centre, Massey North, New Lynn, and Auckland's Central Business District. All of these projects are in advanced states of development.

Auckland Transport continues to align its programme both with Auckland Council's strategic direction, and also with the direction of the New Zealand Transport Agency as both co-funder and as highway network operator. This enables Auckland's transport system to be funded and operated within an integrated funding and operational framework across central and local government.

## Statement of Comprehensive Income for the six months ended 31 December 2012

	Note	Actual 6 months to 31 Dec 2012 \$000	Budget 6 months to 31 Dec 2012 \$000	Actual 6 months to 31 Dec 2011 \$000
<b>Income</b>				
Funding from Auckland Council	2	169,648	169,648	138,608
Operational funding from NZ Transport Agency		108,260	107,530	94,403
Capital funding from NZ Transport Agency		62,922	52,182	16,901
Finance income	3	87	-	41
Other income	4	484,793	67,365	72,406
<b>Total income</b>		<b>825,710</b>	<b>396,725</b>	<b>322,359</b>
<b>Expenditure</b>				
Personnel costs	5	35,997	32,893	36,000
Depreciation and amortisation expense	13,14	126,231	120,308	109,799
Finance costs	3	8,067	5,465	23,711
Other expenses	6	246,357	237,048	233,412
Other losses/(gains)	7	1,251	-	27
<b>Total expenditure</b>		<b>417,903</b>	<b>395,714</b>	<b>402,949</b>
<b>Surplus/(deficit) before tax</b>		<b>407,807</b>	<b>1,011</b>	<b>(80,590)</b>
Income tax	8	1,125	-	4,452
<b>Total surplus/(deficit) after tax</b>		<b>406,682</b>	<b>1,011</b>	<b>(85,042)</b>
<b>Other comprehensive income</b>				
Cash flow hedges	19	(13,756)	-	(6,852)
<b>Other comprehensive income for the period</b>		<b>(13,756)</b>	<b>-</b>	<b>(6,852)</b>
<b>Total comprehensive income for the period</b>		<b>392,926</b>	<b>1,011</b>	<b>(91,894)</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position as at 31 December 2012

	Note	Actual 31 Dec 2012 \$000	Budget 31 Dec 2012 \$000	Actual 30 Jun 2012 \$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	9	7,322	5,000	2,840
Debtors and other receivables	10	137,865	220,000	186,428
Inventories	11	5,044	-	5,160
Other assets	12	16,668	15,000	1,174
Asset held for sale to Auckland Council		-	-	-
<b>Total current assets</b>		<b>166,899</b>	240,000	195,602
<b>Non-current assets</b>				
Property, plant and equipment	13	14,148,845	13,543,515	13,569,719
Intangible assets	14	34,342	25,000	30,841
Debtors and other receivables	10	74,456	-	57,874
<b>Total non-current assets</b>		<b>14,257,643</b>	13,568,515	13,658,434
<b>Total assets</b>		<b>14,424,542</b>	13,808,515	13,854,036
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors and other payables	15	140,739	158,620	176,933
Employee entitlements	16	8,320	-	7,831
Derivative financial instruments	17	7,507	-	3,800
Borrowings	18	832	-	448
<b>Total current liabilities</b>		<b>157,398</b>	158,620	189,012
<b>Non-current liabilities</b>				
Deferred tax	8	12,145	11,000	11,020
Employee entitlements	16	900	1,000	900
Derivative financial instruments	17	57,735	6,000	50,663
Borrowings	18	179,407	212,563	112,121
<b>Total non-current liabilities</b>		<b>250,187</b>	230,563	174,704
<b>Total liabilities</b>		<b>407,585</b>	389,183	363,716
<b>Net assets</b>		<b>14,016,957</b>	13,419,332	13,490,320
<b>Equity</b>				
Contributed capital		12,647,591	12,524,287	12,513,880
Retained surplus/(deficit)		255,871	(55,588)	(150,811)
Other reserves		1,113,495	950,633	1,127,251
<b>Total equity</b>	19	<b>14,016,957</b>	13,419,332	13,490,320

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity for the six months ended 31 December 2012

	Actual 6 months to 31 Dec 2012 \$000	Budget 6 months to 31 Dec 2012 \$000	Actual 6 months to 31 Dec 2011 \$000	Actual 12 months to 30 Jun 2012 \$000
<b>Note</b>				
<b>Equity at start of period</b>	<b>13,490,320</b>	<b>13,303,390</b>	<b>12,980,152</b>	<b>12,980,152</b>
Surplus/(deficit) for the period	406,682	1,011	(85,042)	(111,348)
Gain on property, plant and equipment revaluation	-	-	-	193,395
Deferred tax on revaluation	-	-	-	2,677
Cash flow hedges	(13,756)	-	(6,852)	(19,454)
<b>Total comprehensive income</b>	<b>392,926</b>	<b>1,011</b>	<b>(91,894)</b>	<b>65,270</b>
Capital contribution from Auckland Council during the period	133,711	114,931	118,167	444,898
<b>Balance at end of the period</b>	<b>19</b>	<b>14,016,957</b>	<b>13,419,332</b>	<b>13,490,320</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows for the six months ended 31 December 2012

	Note	Actual 6 months to 31 Dec 2012 \$000	Budget 6 months to 31 Dec 2012 \$000	Actual 6 months to 31 Dec 2011 \$000
<b>Cash flows from operating activities</b>				
<b>Cash provided from:</b>				
Income from activities		72,421	67,365	116,328
Operating funding from Auckland Council		107,674	107,674	111,287
Operational funding from NZ Transport Agency		111,421	107,530	84,260
Capital funding from Auckland Council		61,974	61,974	27,321
Capital funding from NZ Transport Agency		54,026	52,182	30,057
Interest received		87	-	41
Goods and services tax		-	-	-
<b>Total cash provided</b>		<b>407,603</b>	<b>396,725</b>	<b>369,294</b>
<b>Cash applied to:</b>				
Payments to suppliers and employees		308,188	282,569	321,259
Interest paid		10,174	-	91
Goods and services tax		6,556	-	2,490
<b>Total cash applied</b>		<b>324,918</b>	<b>282,569</b>	<b>323,840</b>
<b>Net cash from operating activities</b>	<b>20</b>	<b>82,685</b>	<b>114,156</b>	<b>45,454</b>
<b>Cash flows from investing activities</b>				
<b>Cash provided from:</b>				
Sale of property, plant and equipment		250	-	-
<b>Cash applied to:</b>				
Purchase of property, plant and equipment		308,279	285,269	233,912
<b>Net cash applied to investing activities</b>		<b>(308,029)</b>	<b>(285,269)</b>	<b>(233,912)</b>
<b>Cash flows from financing activities</b>				
<b>Cash provided from:</b>				
Capital contribution from Auckland Council		162,252	114,931	151,058
Loan from Auckland Council		68,000	56,182	40,525
<b>Total cash provided</b>		<b>230,252</b>	<b>171,113</b>	<b>191,583</b>
<b>Cash applied to:</b>				
Repayment of loan from Auckland Council		416	-	17
Repayments of finance lease principal		10	-	-
<b>Total cash applied</b>		<b>426</b>	<b>-</b>	<b>17</b>
<b>Net cash from financing activities</b>		<b>229,826</b>	<b>171,113</b>	<b>191,566</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,482</b>	<b>-</b>	<b>3,108</b>
Opening cash and cash equivalents		2,840	5,000	2,250
<b>Closing cash and cash equivalents</b>	<b>9</b>	<b>7,322</b>	<b>5,000</b>	<b>5,358</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 and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

## Summary of Capital Expenditure for the year ended 31 December 2012

Note	Actual 6 months to 31 Dec 2012 \$000	Budget 6 months to 31 Dec 2012 \$000	Actual 6 months to 31 Dec 2011 \$000
<b>New capital expenditure</b>			
Roads	98,442	106,960	64,036
Public Transport	37,975	29,654	25,603
Parking	1,301	2,534	8,707
Electric Trains	45,120	56,182	46,603
Other	3,544	4,727	4,062
<b>Total new capital expenditure</b>	<b>186,382</b>	<b>200,057</b>	<b>149,011</b>
<b>Renewal capital expenditure</b>			
Roads	89,771	78,076	86,298
Public Transport	1,535	5,087	1,028
Parking	272	2,049	18
<b>Total renewal capital expenditure</b>	<b>91,578</b>	<b>85,212</b>	<b>87,344</b>
<b>Vested assets</b>			
Roads	414,433	-	658
<b>Total vested assets</b>	<b>414,433</b>	<b>-</b>	<b>658</b>
<b>Total capital expenditure</b>	<b>692,393</b>	<b>285,269</b>	<b>237,013</b>
<b>Funding</b>			
NZ Transport Agency subsidies - new	36,157	37,354	16,901
NZ Transport Agency subsidies - renewal	26,765	14,828	-
Capital funding from Auckland Council	61,974	61,974	27,321
Other capital grants	10	-	-
Loan funding from Auckland Council	45,120	56,182	46,603
Investment by Auckland Council	107,934	114,931	145,530
Vested assets	414,433	-	658
<b>Total funding</b>	<b>692,393</b>	<b>285,269</b>	<b>237,013</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

### 31 December 2012

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#### 1 Statement of accounting policies

##### Reporting entity

Auckland Transport is a Council Controlled Organisation of the Auckland Council ('the Council') and is domiciled in New Zealand.

Auckland Transport is a public-benefit entity as defined under New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS'). Auckland Transport's primary objective is to provide services and facilities for the community as a social benefit rather than to make a financial return.

The financial statements are for the six months ended 31 December 2012.

##### Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

##### (a) Basis of preparation

###### Statement of compliance

The financial statements of Auckland Transport have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZIFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

###### Measurement base

The financial statements are prepared based on historical cost modified by the revaluation of the following:

- financial assets and liabilities at fair value
- derivative financial instruments at fair value
- certain classes of property, plant and equipment at methods appropriate to the class of asset

The methods used to measure fair value are discussed in the specific accounting policies.

###### Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$), which is Auckland Transport's functional currency, and have been rounded to the nearest thousand unless otherwise stated.

###### Costs allocation

Cost of service for each activity was allocated as follows:



- Direct costs are charged directly to activities. Indirect costs are charged to activities using appropriate cost drivers such as actual usage, staff numbers and floor area.
- Direct costs are those costs directly attributable to an activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific activity.

### **Changes in accounting policies**

There have been no changes in the accounting policies during the financial year.

### **Changes to financial reporting standards**

The External Reporting Board has introduced a revised Accounting Standards Framework. The revised framework intends to introduce Public Benefit Accounting Standards (“PAS”) comprising International Public Sector Accounting Standards (“IPSAS”), modified as appropriate for New Zealand circumstances. This means that financial reporting requirements for public benefit entities are frozen in the short-term and that all new NZ IFRS with a mandatory effective date for annual reporting commencing on or after 1 January 2012 are not applicable to public benefit entities. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

**Amendment to NZIAS 12 Income Tax – Deferred tax: Recovery of underlying assets.** This amendment is not relevant to Auckland Transport as it does not own any investment properties.

### **(b) Foreign currency translation**

Auckland Transport translates its foreign currency transactions into New Zealand dollars using the exchange rates at the dates of the transactions. It records foreign exchange gains and losses from the settlement of transactions, and from translation at year-end exchange rates, in the surplus or deficit.

### **(c) Property, plant and equipment**

Property, plant and equipment consists of:

- (i) Operational assets  
These include land, buildings, rolling stock, locomotive improvements, motor vehicles, computer hardware, furniture and fittings, plant and equipment, wharves, bus stations and shelters and train stations.
- (ii) Infrastructure assets  
These include the land-infrastructure and roading infrastructures.

#### **Land (operational)**

Land (operational) includes land held for roading purposes, land under car parks, land under wharves and land under train stations.

#### **Building**

Building includes buildings held for roading purposes, car park buildings, wharf buildings and other operational buildings.

#### **Rolling stock**

Rolling stock includes carriages and locomotives.

## **Land infrastructure**

Land infrastructure includes land under roads and restricted land.

## **Roading infrastructure**

Roading infrastructure includes roading assets (e.g. pavements, bridges, footpath, streetlights, traffic control, etc.).

## **Plant and equipment**

Plant and equipment includes parking equipment (e.g. barrier arms, handheld parking infringement machines, etc.) and public transport equipment (e.g. public transport information, signal pre-emption, CCTV camera, etc.).

## **Initial recognition**

### **Property, plant and equipment at the time of transition**

Property, plant and equipment transferred at the time of transition are initially shown at their previous carrying values (net book value) in the financial statements of the predecessor Councils, ARTA and ARTNL.

### **Property, plant and equipment acquired after transition**

Property, plant and equipment acquired after transition are initially shown at cost or at fair value in the case where an asset is acquired at no cost, or for a nominal cost. Cost includes any costs that are directly attributable to the acquisition of the items.

### **Subsequent costs**

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, when it is likely future economic benefits associated with the item will flow to Auckland Transport, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit for the financial period they relate to.

### **Valuation of assets**

Auckland Transport accounts for revaluations on a class of assets basis.

Any accumulated depreciation at the date of revaluation is transferred to the gross carrying amount of the asset, and the asset cost is restated to the revalued amount.

Increases in asset carrying amounts due to revaluation increase revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of assets has sufficient revaluation reserves to absorb the reduction. All other decreases are charged to surplus or deficit.

If a revaluation increase reverses a decrease previously recognised in the surplus or deficit, the increase is recognised first in the surplus or deficit to reverse previous decreases. Any residual increase is applied to revaluation reserves in equity.

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Auckland Transport and the cost of the item can be measured reliably. In most instances, an item of

property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

### Disposals

Gains and losses on the sale or disposal of assets are determined by comparing the proceeds of sale with the asset's carrying amount. Gains and losses are included in the surplus or deficit. When a revalued asset is sold or disposed of, any amount in the revaluation reserves in equity relating to that asset is transferred to general equity.

### Depreciation

Land (operational) and land-infrastructure are not depreciated. Assets are depreciated on a straight-line basis. Depreciation writes off the cost of the assets to residual value over their useful lives.

<u>Class of asset depreciated</u>	<u>Estimated useful life (years)</u>
<b>Operational assets</b>	
• Buildings	10-100
• Wharf buildings	7-100
• Rolling stock	2-9
• Locomotive improvements	2-9
• Wharves	50-100
• Furniture and fittings	5-15
• Computer hardware	3-8
• Plant and equipment	10-25
• Bus stations and shelters	10-99
• Train stations	5-99
• Motor vehicles	5
<b>Infrastructure assets</b>	
• Public transport	10-80
• Roothing	10-120
• Carparking	10-50

Auckland Transport reviews and, if necessary, adjusts the assets' residual values and useful lives at each year-end.

### Capital works in progress

Capital works in progress are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

#### **(d) Intangible assets**

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. Intangible assets acquired at no cost are initially recognised at fair value, where that is reliably measurable.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses, and are reviewed annually for impairment losses. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment, and are carried at cost, less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in the surplus or deficit in the period in which the disposal occurs.

Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the surplus or deficit.

#### **Operating leases – land**

The operating leases on land are long term land leases on which train stations have been built. They are recognised in the accounts at fair value and amortised over the life of the underlying asset.

#### **Computer software**

Computer software licences are capitalised based on the costs incurred to acquire and bring to use the software. These costs are amortised using the straight-line method over their estimated useful lives (three to eight years).

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Costs directly associated with the development of identifiable and unique software products controlled by Auckland Transport, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets (e.g. software development employee costs). Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives (not exceeding eight years). Staff training costs are recognised as an expense when incurred.

#### **(e) Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised if the estimated recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset, where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows, and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows.



If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the debit balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit..

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus or deficit.

#### **(f) Financial assets**

Auckland Transport classifies its financial assets in the following categories:

- financial assets at fair value through surplus or deficit
- available-for-sale financial assets
- loans and receivables
- held-to-maturity investments

The classification depends on the reason behind acquiring the investment. Auckland Transport decides how to classify its investments when they are acquired.

Purchases and sales of investments are recorded on the value date at fair value plus transaction costs, unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. Financial assets are no longer recognised when the right to receive cash flows from the financial assets has expired or has been transferred.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), Auckland Transport establishes fair value through valuation techniques.

At each year-end, Auckland Transport assesses whether there is evidence that a financial asset or group of financial assets is impaired. Any impairment loss is recognised in the surplus or deficit.

#### **Financial assets at fair value through surplus or deficit**

This category has two subcategories: financial assets held for trading and those designated at fair value through surplus or deficit on initial recognition. A financial asset is classified in this category if acquired principally to sell in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. They are classified as current assets if they are held for trading and expected to be realised within 12 months of the period end date.

After initial recognition financial assets at fair value through surplus or deficit continue to be measured at fair value. Realised and unrealised gains and losses arising from the changes in the fair value of the financial assets at fair value through surplus or deficit category are included in the surplus or deficit in the period in which they arise.

#### **Available-for-sale financial assets**

Financial assets at fair value through other comprehensive income are non-derivative financial assets designated in this category or not classified in the other categories. After initial recognition, they are

measured at fair value. They are included in non-current assets, unless Auckland Transport intends to dispose of the asset within 12 months of year-end. Auckland Transport does not have any financial assets under this category.

After initial recognition they are measured at fair value, with gains and losses recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when Auckland Transport provides money, goods or services directly to a debtor with no intention of selling the receivable asset.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in the surplus or deficit. Loans and receivables are included in current assets, except for those with maturities greater than 12 months after the year-end date, which are classified as non-current assets.

### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments, and fixed maturities that Auckland Transport management has the intention and ability to hold to maturity.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment.

Auckland Transport does not currently have any financial assets under this category.

### **(g) Derivative financial instruments**

Auckland Transport uses derivative financial instruments to hedge exposure to foreign exchange. In accordance with its treasury policy, Auckland Transport does not hold or issue derivative financial instruments for trading purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-end date. The quoted market price used for financial assets held by Auckland Transport is the current bid price. The quoted market price for financial liabilities is the current ask price.

The fair values of forward foreign exchange contracts are determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The resulting gain or loss is recognised immediately in the surplus or deficit within 'other gains(losses)' unless the derivative instrument has been designated as a hedging instrument and qualifies for hedge accounting, in which case, the method of recognising the resulting gain or loss is discussed below.

### **Derivatives that qualify for hedge accounting**

When a derivative is designated as a hedging instrument, Auckland Transport documents a hedge relationship as either a cash flow hedge (hedge of a forecast transaction) or a fair value hedge (hedge of the fair value of a recognised asset or liability). Also documented are the nature of the risk being

hedged, its risk-management objective, strategy for hedge transactions, identification of the hedging instrument and hedged item, and how the hedging instrument's effectiveness is to be assessed.

### **Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recorded in the surplus or deficit.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets accounting criteria, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity transfers to surplus or deficit.

### **Fair value hedge**

Auckland Transport only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of the interest rate swaps that hedge fixed-rate borrowings is recognised in the surplus or deficit within "finance costs". The gain or loss relating to the ineffective portion is recognised in the surplus or deficit within "other gains/ (losses)". Changes in the fair value of the hedged fixed-rate borrowings attributable to interest rate risk are recognised in the surplus or deficit income within "finance costs".

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is recorded in the surplus or deficit.

### **(h) Inventories**

Inventories such as spare parts, stores and finished goods are stated at lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion (if applicable) and the estimated costs necessary to make the sale.

Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The amount of any write-down in the value of inventories is recognised in the surplus or deficit.

### **(i) Trade and other receivables**

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost less any provision for impairment. They are due for settlement no more than 30 days from the date of recognition.

Auckland Transport reviews the collection of trade receivables on an on-going basis and writes off debts known to be uncollectable. A provision is made for doubtful receivables when there is objective evidence that Auckland Transport will not be able to collect all amounts due according to the original terms of the receivables. The amount provided is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. This amount provided is recorded in the surplus or deficit.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the surplus or deficit. When a receivable is uncollectable, it is written off against the provision account.

#### **(j) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions. They also include other short-term, highly liquid investments (with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value) and bank overdrafts.

#### **(k) Equity**

Equity is the shareholder's interest in the organisation and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into contributed equity from shareholder, accumulated funds, and reserves.

#### **(l) Borrowings**

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and amortised cost is recognised in the surplus or deficit over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless Auckland Transport has an unconditional right to defer settlement of the liability for at least 12 months after the year-end date.

#### **(m) Borrowing costs**

Auckland Transport has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

#### **(n) Current and deferred income tax**

The income tax expense is the tax payable on the current period's taxable income, based on the New Zealand tax rate, and adjusted for changes in deferred tax assets and liabilities, and adjustments to income tax payable in respect of prior years.

Deferred tax assets and liabilities account for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled. This is based on those tax rates set by the government. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they came from a transaction, other than a business combination, that at the time of the transaction did not affect accounting profit or taxable profit and loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent it is likely that future taxable amounts will be available for Auckland Transport.

Current and deferred tax balances attributable to amounts recognised directly in equity, such as asset revaluations, are also recognised directly in equity.

### **(o) Provisions**

Provisions are recognised when:

- Auckland Transport has a present legal or constructive obligation due to past events
- it is more likely than not that an outflow of resources will be required to settle the obligation
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### **Organisational**

An organisational provision is recognised where there is a legal or constructive obligation to meet redundancy expenses. The amount recorded in the financial statements is the estimated cost of this expense.

### **Contractual**

A contractual provision is recognised when legal claims have been issued against Auckland Transport for past transactions and it is probable that Auckland Transport will be liable for these claims. The amount recorded in the financial statements is the estimated cost of these claims.

### **(p) Creditors and other payables**

These amounts represent unpaid liabilities for goods and services provided to Auckland Transport before the end of the financial year. The amounts are unsecured and usually paid within 30 days of recognition. Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **(q) Goods and services tax (GST)**

Items in the financial statements are exclusive of GST, with the exception of receivables and payables. The net amount of GST receivable from, or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

### **(r) Employee benefit liabilities**

#### **Short-term employee benefit liabilities**

These include wages and salaries, annual leave and sick leave. These liabilities are expected to be settled within 12 months of the reporting date. They include employees' services up to the year-end date and are measured at the amounts Auckland Transport expects to pay when the liabilities are settled. A liability is recognised for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation. Auckland Transport recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick



leave entitlement that can be carried forward at balance date, to the extent that Auckland Transport anticipates it will be used by staff to cover those future absences.

### **Long-term employee entitlements**

Entitlements that are payable beyond 12 months such as long-service leave have been actuarially measured as the present value of expected future payments for services provided by employees up to the year-end date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

### **(s) Revenue**

Auckland Transport measures revenue at the fair value of the amounts received or receivable, net of discounts, duties and taxes paid.

#### **Auckland Transport receives revenue from the following main sources:**

##### **Auckland Council grants**

Auckland Transport is funded by its parent the Auckland Council in order to deliver the agreed annual operational and capital programmes. This funding is recognised when the expenditure is incurred i.e. on an accrual basis.

##### **New Zealand Transport Agency (NZTA) grants**

Auckland Transport receives government grants from NZTA, which funds operational and capital expenditure. Grants distribution from NZTA are recognised as income when the expenditure they cover is incurred i.e. on an accrual basis.

##### **Traffic and parking infringement income**

Income and receivables are recognised when an infringement notice is issued based on the estimated recoverable amount. Infringement amounts not recovered after 60 days are lodged with the courts for collection. Subsequent collections from the courts which differ to estimated recoverable amounts are recognised in income as received. The estimated amount expected to be received is reviewed at least annually.

##### **Fare revenue**

Auckland Transport receives fare box revenue from certain bus and ferry and all rail services. This revenue is recognised when the ticket is purchased.

##### **Vested assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested to Auckland Transport are recognised when control over the asset is obtained.

Vested assets arise when property developers undertake development which requires them to build roads and footpaths. When the development is complete those assets vest in the network provider. As Auckland Transport controls roads and footpaths and accounts for the asset value the income from vesting comes to Auckland Transport.

#### **Auckland Transport accounts for revenue for the following activities:**

- Licenses and permits revenue – on application

- Rental revenue – for the period it relates to
- interest income – on a time proportion basis using the effective interest method
- other grants and subsidies- when received
- contra transactions – are measured at the fair value of the asset received or the fair value of the goods given up.

#### **(t) Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Auckland Transport has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Auckland Transport decision.

#### **(u) Leases**

##### **Operating leases**

With operating leases, the lessor retains the risks and benefits of ownership. Lease payments are recognised as an expense in the surplus or deficit on a straight-line basis over the period of the lease.

##### **Finance leases**

Finance leases effectively transfer to the lessee the risks and benefits incidental to ownership. These are capitalised at the lesser of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding liabilities are recognised in the statement of financial position. Interest on finance leases is charged to surplus or deficit over the lease period.

Leased assets are depreciated over the period Auckland Transport is expected to benefit from their use.

##### **Use of estimates and judgements**

The preparation of financial statements requires Auckland Transport's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Property, plant and equipment
- Contingent liabilities.

##### **Auckland Council-owned property, plant and equipment**

Property, plant and equipment in the legal name of Auckland Council that Auckland Transport has control over are recognised as an asset in the statement of financial position. Auckland Transport considers it has assumed all the normal risks and rewards of ownership of this property, plant and

equipment despite legal ownership not being transferred, and accordingly it would be misleading to exclude this property, plant and equipment from the financial statements.

### **Traffic and parking infringement income**

Infringement notices receivable not recovered after 60 days are lodged with the courts for collection. An analysis of historic record of collection percentages for infringements lodged with the courts have indicated that approximately 50 per cent of all infringements lodged with the courts are recovered within the first twelve months of lodgement. For the 30 June 2012, an estimated 50 per cent (previously 25 per cent) of traffic and parking infringements issued during the period and outstanding at court are recognised as income and receivable.

### **Discount Rates**

A discount rate of 6% has been applied to estimate the present value of future cash flows, with the exception of long term employee benefit calculations which are discounted using risk free rates published by the New Zealand Treasury. Where necessary the discount rate is adjusted for a risk premium specific to the asset or liability.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 6 months to 31 Dec 2012 \$000	Actual 6 months to 31 Dec 2011 \$000
<b>2 Funding from Auckland Council</b>		
Operational funding from Auckland Council	107,674	111,287
Capital funding from Auckland Council	61,974	27,321
	169,648	138,608
Auckland Transport receives funding from Auckland Council in order to deliver the agreed annual operational and capital programmes within Auckland Council's Long-Term Plan.		
<b>3 Finance income and finance costs</b>		
<b>Finance income</b>		
Interest income	87	41
	87	41
<b>Finance costs</b>		
Interest expense	3,684	480
Realised interest rate swaps - not hedge accounted	6,631	-
Unrealised interest rate swaps - not hedge accounted	(2,248)	23,231
	8,067	23,711
<b>4 Other income</b>		
Parking and enforcement	33,679	35,831
Public transport income	23,303	22,825
Other operating grants and subsidies	5,481	5,548
Other capital grants	10	-
Vested asset income	414,433	658
Other income	7,887	7,544
	484,793	72,406
<b>5 Personnel costs</b>		
Salaries and wages	45,946	40,593
Less capitalised salaries and wages	(11,062)	(5,425)
Defined contribution plan employer contributions	624	516
Increase in employee benefit liabilities	489	316
Total personnel costs	35,997	36,000

Employer contributions to defined contribution plans include contributions to Kiwisaver and Super Trust of New Zealand Fund.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 6 months to 31 Dec 2012 \$000	Actual 6 months to 31 Dec 2011 \$000
<b>6 Other expenses</b>		
Fees to principal auditor:		
Audit fees for financial statement audit	50	300
Fees for other services	-	-
Impairment of receivables	(47)	-
Directors' fees	224	195
Public transport operations	144,720	141,269
Roading network	69,558	70,154
Other operating expenses	31,852	21,494
<b>Total other expenses</b>	<b>246,357</b>	<b>233,412</b>

Fees paid to the principal auditor for other services were for the review of the draft Asset Management Plan.

## 7 Other losses/(gains)

Foreign exchange losses/(gains)	19	242
Loss/(gain) on disposal of property, plant and equipment	1,232	(215)
<b>Total gains/(losses)</b>	<b>1,251</b>	<b>27</b>

## 8 Income tax

### Components of income tax expense

Current tax	-	-
Deferred tax	1,125	4,452
<b>Income tax expense</b>	<b>1,125</b>	<b>4,452</b>

### Relationship between tax income expense and accounting profit

Surplus/(deficit) before tax	407,807	(80,590)
Tax at 28 per cent	114,186	(22,565)
<i>Plus/(less) tax effects of:</i>		
Non-taxable income	-	-
Non-deductible expenditure	(114,550)	22,565
Tax losses not recognised	-	-
Group loss offset	364	-
Deferred tax adjustment	1,125	4,452
<b>Income tax</b>	<b>1,125</b>	<b>4,452</b>

	Property, plant and equipment \$000	Other provisions \$000	Tax losses \$000	Total \$000
<b>Deferred tax liability</b>				
Balance at 1 July 2012	(11,020)	-	-	(11,020)
Charged to profit and loss	(1,125)	-	-	(1,125)
Charged to equity	-	-	-	-
<b>Balance at 31 December 2012</b>	<b>(12,145)</b>	<b>-</b>	<b>-</b>	<b>(12,145)</b>
Balance at 1 July 2011	(13,264)	25	464	(12,775)
Charged to profit and loss	(433)	(25)	(464)	(922)
Charged to equity	2,677	-	-	2,677
<b>Balance at 30 June 2012</b>	<b>(11,020)</b>	<b>-</b>	<b>-</b>	<b>(11,020)</b>

Auckland Transport derived tax losses of \$1,301,089 during the six months to 31 December 2012 which have not been recognised as deferred tax assets (twelve months to 30 June 2012: nil). These losses will be used to offset the tax liability of other members of the Auckland Council group.



## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 31 Dec 2012 \$000	Actual 30 Jun 2012 \$000
<b>9 Cash and cash equivalents</b>		
Cash at bank	6,125	2,676
AIFS bank account	1,006	-
Till floats	191	164
<b>Total cash and cash equivalents</b>	<b>7,322</b>	<b>2,840</b>

The carrying value of cash and cash equivalents approximates their fair value.

The weighted average effective interest rate for cash and cash equivalents is 2.5% (2011 - 2.5%).

Auckland Transport operates a restricted bank account for Auckland Integrated Fares System (AIFS). This account is used for the deposit of unused stored value on AT HOP cards and is therefore considered restricted funds.

## 10 Debtors and other receivables

### Current portion

Trade debtors	2,469	2,848
Infringements receivable	14,902	15,005
Amounts due from related parties - capital contribution from Auckland Council	48,598	93,999
Amounts due from related parties - other	24,615	27,267
Accrued income	37,172	44,569
Goods and services tax	10,854	3,532
	<b>138,610</b>	<b>187,220</b>
Less provision for impairment of receivables	(745)	(792)
	<b>137,865</b>	<b>186,428</b>

### Non-current portion

Accrued income	28,456	11,874
Amounts due from related parties - other	46,000	46,000
	<b>74,456</b>	<b>57,874</b>
<b>Total debtors and receivables</b>	<b>212,321</b>	<b>244,302</b>

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Gross \$000	Impaired \$000	Net \$000
<b>10 Debtors and other receivables (continued)</b>			
The ageing profile of receivables is detailed below:			
<b>December 2012</b>			
Not past due	197,918	-	197,918
Past due 1 - 30 days	2,528	-	2,528
Past due 31 - 60 days	1,806	-	1,806
Past due 61 - 90 days	1,803	-	1,803
Past due > 90 days	9,011	(745)	8,266
	<b>213,066</b>	<b>(745)</b>	<b>212,321</b>
<b>June 2012</b>			
Not past due	231,069	-	231,069
Past due 1 - 30 days	2,522	-	2,522
Past due 31 - 60 days	910	-	910
Past due 61 - 90 days	194	-	194
Past due > 90 days	10,399	(792)	9,607
	<b>245,094</b>	<b>(792)</b>	<b>244,302</b>

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment of receivables has been calculated on an individual basis. The provision is based on a review of significant debtor balances. Receivables are assessed as impaired due to significant financial difficulties being experienced by the debtor, and Auckland Transport management concluding that it is remote that the overdue amounts will be recovered.

Movements in the provision for impairment of receivables are as follows:

	Actual 31 Dec 2012 \$000	Actual 30 Jun 2012 \$000
Opening balance	792	95
Additional provisions made	75	792
Provisions reversed	(122)	(95)
Receivables written-off	-	-
Closing balance	745	792

## 11 Inventories

Spare parts for rolling stock	5,044	5,160
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Spare parts for rolling stock are held and managed by Kiwi Rail on Auckland Transport's behalf.

The carrying amount of spare parts for rolling stock is measured at the lower of cost and net realisable value.

No inventories are pledged as security for liabilities.

There have been no write downs of inventory to net realisable value. There have been no reversals of write downs.

## 12 Other assets

Prepayments	16,668	1,174
NZTA assets held in trust	17,418	17,418
NZTA assets held in trust transfer	(17,418)	(17,418)
Total other assets	<b>16,668</b>	<b>1,174</b>

### Asset held in trust for NZ Transport Agency

Auckland Transport and NZ Transport Agency have a Memorandum of Understanding (MOU) covering the Auckland Integrated Fares System (AIFS). The central system of the AIFS project, which Auckland Transport is developing and NZ Transport Agency is funding 100 per cent, will pass to NZ Transport Agency as part of their national framework for automated fare collection. The MOU states that Auckland Transport will hold the asset in trust for NZ Transport Agency until such time as the project is completed. The project is expected to be completed by June 2013. Expenditure and funding in the six months ended 31 December 2012 was nil (2012: twelve months ended 30 June 2012 was \$4.3m).

## Notes to the Financial Statements for the year ended 31 December 2012

December 2012	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
December 2012	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>13 Property, plant and equipment</b>												
<b>Operational assets</b>												
<i>Cost or valuation</i>												
Land	473,670	-	12,423	-	19,957	-	-	-	-	506,050	-	506,050
Land - finance lease	13,215	-	-	-	-	-	-	-	-	13,215	-	13,215
Buildings	230,699	(99)	1,678	(1,232)	10,019	-	(4,104)	-	-	241,162	(4,201)	236,961
Rolling stock	108,621	(21,265)	-	-	-	-	(10,633)	-	-	108,621	(31,898)	76,723
Locomotive improvements	10,646	(1,985)	-	-	-	-	(595)	-	-	10,646	(2,580)	8,066
Motor vehicles	1,722	(1,123)	-	-	-	-	(227)	-	-	1,722	(1,350)	372
Computer hardware	2,225	(374)	-	-	1,859	-	(406)	-	-	4,084	(780)	3,304
Furniture and fittings	300	(202)	-	-	(60)	-	(30)	-	-	240	(232)	8
Plant and equipment	19,088	(4,465)	125	-	1,086	-	(1,294)	-	-	20,299	(5,759)	14,540
Wharves	29,083	-	-	-	606	-	(523)	-	-	29,689	(523)	29,166
Bus stations and shelters	31,276	(830)	-	-	1,046	-	(451)	-	-	32,322	(1,281)	31,041
Train stations	384,400	-	-	-	55	-	(5,933)	-	-	384,455	(5,933)	378,522
Leased assets	-	-	95	-	-	-	(11)	-	-	95	(11)	84
	<b>1,304,945</b>	<b>(30,343)</b>	<b>14,321</b>	<b>(1,232)</b>	<b>34,568</b>	<b>-</b>	<b>(24,207)</b>	<b>-</b>	<b>-</b>	<b>1,352,600</b>	<b>(54,548)</b>	<b>1,298,052</b>
<b>Infrastructural assets</b>												
<i>Cost or valuation</i>												
Land	5,265,700	-	253,215	(250)	5,859	-	-	-	-	5,524,524	-	5,524,524
Roading	6,700,261	(182,257)	164,637	-	134,719	-	(100,630)	-	-	6,999,817	(282,887)	6,716,930
Street gardens	13,275	(737)	6	-	97	-	(227)	-	-	13,378	(964)	12,414
	<b>11,979,236</b>	<b>(182,994)</b>	<b>418,058</b>	<b>(250)</b>	<b>140,675</b>	<b>-</b>	<b>(100,657)</b>	<b>-</b>	<b>-</b>	<b>12,537,719</b>	<b>(283,851)</b>	<b>12,253,868</b>
Works under construction	498,875	-	273,293	-	(175,243)	-	-	-	-	596,925	-	596,925
<b>Total property, plant and equipment</b>	<b>13,783,056</b>	<b>(213,337)</b>	<b>13,569,719</b>	<b>(1,482)</b>	<b>-</b>	<b>-</b>	<b>(125,064)</b>	<b>-</b>	<b>-</b>	<b>14,487,244</b>	<b>(338,399)</b>	<b>14,148,845</b>

Notes to the Financial Statements for the year ended 31 December 2012

June 2012	Cost/ revaluation 1 Jul 2011	Accumulated depreciation and impairment charges 1 Jul 2011	Carrying amount 1 Jul 2011	Current year additions	Current year disposals	Current year transfers on asset completion	Current year impairment charges	Current year depreciation	Revaluation surplus/ (loss)	Cost/ revaluation 30 Jun 2012	Accumulated depreciation and impairment charges 30 Jun 2012	Carrying amount 30 Jun 2012
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>13 Property, plant and equipment</b>												
<b>Operational assets</b>												
<i>Cost or valuation</i>												
Land	395,341	-	395,341	83,182	(6,254)	2,741	-	-	(1,340)	473,670	-	473,670
Land - finance lease	12,531	-	12,531	-	-	-	-	-	684	13,215	-	13,215
Buildings	181,976	(5,207)	176,769	13,305	(7,520)	11,699	-	(8,147)	44,494	230,699	(99)	230,600
Rolling stock	108,461	-	108,461	-	-	160	-	(21,265)	-	108,621	(21,265)	87,356
Locomotive improvements	10,646	(794)	9,852	-	-	-	-	(1,191)	-	10,646	(1,985)	8,661
Motor vehicles	1,722	(556)	1,166	-	-	-	-	(567)	-	1,722	(1,123)	599
Computer hardware	80	(27)	53	-	-	2,145	-	(347)	-	2,225	(374)	1,851
Furniture and fittings	283	(81)	202	-	-	17	-	(121)	-	300	(202)	98
Plant and equipment	18,581	(1,865)	16,716	-	-	507	-	(2,600)	-	19,088	(4,465)	14,623
Wharves	42,954	-	42,954	830	-	1,433	-	(1,636)	(14,498)	29,083	-	29,083
Bus stations and shelters	30,363	-	30,363	-	-	913	-	(830)	-	31,276	(830)	30,446
Train stations	197,806	(3,466)	194,340	-	-	34,727	-	(5,276)	160,609	384,400	-	384,400
	<b>1,000,744</b>	<b>(11,996)</b>	<b>988,748</b>	<b>97,317</b>	<b>(13,774)</b>	<b>54,342</b>	<b>-</b>	<b>(41,980)</b>	<b>189,949</b>	<b>1,304,945</b>	<b>(30,343)</b>	<b>1,274,602</b>
<b>Infrastructural assets</b>												
<i>Cost or valuation</i>												
Land	5,208,666	-	5,208,666	8,947	(4,095)	52,182	-	-	-	5,265,700	-	5,265,700
Roading	6,351,829	-	6,351,829	35,278	-	313,154	-	(182,257)	-	6,700,261	(182,257)	6,518,004
Street gardens	13,256	(295)	12,961	19	-	-	-	(442)	-	13,275	(737)	12,538
	<b>11,573,751</b>	<b>(295)</b>	<b>11,573,456</b>	<b>44,244</b>	<b>(4,095)</b>	<b>365,336</b>	<b>-</b>	<b>(182,699)</b>	<b>-</b>	<b>11,979,236</b>	<b>(182,994)</b>	<b>11,796,242</b>
Works under construction	361,415	-	361,415	557,138	-	(419,678)	-	-	-	498,875	-	498,875
<b>Total property, plant and equipment</b>	<b>12,935,910</b>	<b>(12,291)</b>	<b>12,923,619</b>	<b>698,699</b>	<b>(17,869)</b>	<b>-</b>	<b>-</b>	<b>(224,679)</b>	<b>189,949</b>	<b>13,783,056</b>	<b>(213,337)</b>	<b>13,569,719</b>

## Notes to the Financial Statements for the year ended 30 June 2012

### 13 Property, plant and equipment (continued)

#### Property, plant and equipment (Auckland Council-owned)

The following property, plant, and equipment are legally owned by Auckland Council but managed and controlled by Auckland Transport.

1. Parking – includes buildings, at grade (land) and park-and-rides.
2. Roads – includes land under roads, land intended for roads (land acquired prior to 1 Nov 2010), shaping, formation, foundation, surface, kerbing and channelling, drainage under roads, footpaths, lighting, signage, bridges, crossings, islands, minor structures (including railings and retaining walls), traffic facilities, traffic signals and shoulders. Partial land acquired for roads after 1 Nov 2010.

The above Auckland Council-owned property, plant, and equipment are included as part of Auckland Transport's property, plant, and equipment. Although legal title has not been transferred, Auckland Transport has assumed all the normal risk and rewards of ownership.

#### Restrictions on Auckland Council-owned property, plant and equipment

##### Disposal

Under the Local Government (Auckland Council) Act 2009 Paragraph 48 Section 2, Auckland Transport must inform Auckland Council, in writing, of its decision to dispose of land not required for a road under Section 345 of the Local Government Act 1974, and the council must dispose of the land in accordance with the requirements of the Local Government Act 1974.

##### Acquisition

Under the Local Government (Auckland Council) Act 2009 Paragraph 48 Section 4, Auckland Transport must inform Auckland Council, in writing, of its decision to apply for compulsory acquisition of any land, or the deemed agreement, as the case may be, and any land taken or acquired as a result will be legally vested in Auckland Council but will be recognised in Auckland Transport's financial statements.

#### Revaluation

Asset class	Date of revaluation	Valuation amount \$000	Basis of revaluation	Valuer Company	Valuer name
Operational land and building	30 June 2012	648,473	Fair Value with the approaches being Market, Income and Cost	Bayleys Valuations Limited Darroch Limited Beca Carter Hollings & Ferner Limited TelferYoung (Auckland) Limited Opus International Consultants Limited	John Darroch Kerry Stewart Nigel Hoskin Lewis Esplin Priyani De Silva-Currie
Train stations	30 June 2012	384,400	Depreciated replacement cost	Opus International Consultants Limited	Priyani De Silva-Currie
Wharf structures	30 June 2012	29,083	Depreciated replacement cost	Opus International Consultants Limited	Priyani De Silva-Currie
Roads, parking (excluding land and buildings) and wharves structures	30 June 2011	6,351,828	Depreciated replacement cost	ANA Group Limited	Amar Singh
Bus stations and shelters	30 June 2011	24,911	Depreciated replacement cost	ANA Group Limited	Amar Singh
Rolling stock carriages	30 June 2011	108,461	Depreciated replacement cost	Halcrow Pacific Pty (Australia)	Aaron Smith



## Notes to the Financial Statements for the year ended 30 June 2012

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### 13 Property, plant and equipment (continued)

#### Valuation significant assumptions and estimates

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Market evidence is available and used for the non-specialised land and buildings, which include commercial and general purpose buildings for which there is a secondary market.

Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The depreciated replacement cost is used to revalue specialised buildings (designed for a specific limited purpose), roading and public transport assets used in the delivery of Auckland Transport's services. Depreciated replacement cost for these types of assets is based on the "incremental optimised replacement cost". Optimised replacement cost is the minimum cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent asset with the same economic benefits, adjusting for any overdesign, overcapacity and redundant components. Incremental optimisation means that optimisation is limited to the extent that optimisation can occur in the normal course of business using commercially available technology.

The depreciated replacement cost valuation reflected above is calculated based on the following estimates and assumptions:

- Railway station assets with unlimited engineering lives have been adjusted to have a typical useful life of 60 years or less reflecting the rate of change and obsolescence in the environment for each elemental value.
- Wharves assets typical useful life has been estimated at 100 years or less at an elemental level, reflecting the marine environment, rate of change and obsolescence, loadings, and the predominance of concrete and steel structural elements.
- Estimating the unit rate for construction of roading assets: The most current contracted unit rates (including rates agreed by legacy councils) for road construction have been used. Where there is no current contracted unit rate information available, the most recent rates are used indexed for the impact of inflation;
- Assumptions on the remaining useful life over which the asset will be depreciated: These assumptions are based on the age, condition information held on these assets and the asset's future service potential. For roading assets these assumptions can be affected by local conditions such as ground type, weather patterns and road usage;
- Rolling stock replacement values are based on price quotations of modern equivalent assets with allowance for age, asset deterioration, configuration and gauge;
- Assumptions on rail rolling stock useful lives have been based on an expected vehicle replacement programme. The programme defines the expected economic and/or physical lives of the different vehicle types in future years that align with the receipt and commissioning of an anticipated fleet of Electric Trains entering service and in meeting the expected operational demand of the Auckland rail lines. Demand has been modelled based on the patronage numbers observed over an extended period adjusted for assumptions on variables such as population growth and fuel prices. A new fleet of 57 three-car Electric Trains is expected to start being fully operational in Auckland between 2014-2016;
- If useful lives do not reflect the actual consumption of the benefits of the assets, then Auckland Transport could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, asset useful lives have been determined with reference to the external industry guidance and have been adjusted for local conditions based on past experience. Asset inspection, deterioration, and condition modelling are also carried out regularly as part of asset management activities, which provides further assurance over useful life estimates.

All other asset classes are measured at depreciated historical cost, as a surrogate for fair value.

In the six months to 31 December 2012 NZ Transport Agency transferred sections of State Highways to Auckland Council as local roads under Auckland Transport control and management at a value of \$578.9m.

## Notes to the Financial Statements for the year ended 31 December 2012

	Cost 1 Jul 2012	Accumulated amortisation and impairment charges 1 Jul 2012	Carrying amount 1 Jul 2012	Current year additions	Current year disposals	Current year transfers on asset completion	Current year impairment charges	Current year amortisation	Cost 31 Dec 2012	Accumulated amortisation and impairment charges 31 Dec 2012	Carrying amount 31 Dec 2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>December 2012</b>											
<b>14 Intangible assets</b>											
Software	8,970	(2,465)	6,505	770	-	4,348	-	(997)	14,088	(3,462)	10,626
Operating lease	21,420	(567)	20,853	-	-	-	-	(170)	21,420	(737)	20,683
	<b>30,390</b>	<b>(3,032)</b>	<b>27,358</b>	<b>770</b>	<b>-</b>	<b>4,348</b>	<b>-</b>	<b>(1,167)</b>	<b>35,508</b>	<b>(4,199)</b>	<b>31,309</b>
Works under construction	3,483	-	3,483	3,898	-	(4,348)	-	-	3,033	-	3,033
<b>Total intangible assets</b>	<b>33,873</b>	<b>(3,032)</b>	<b>30,841</b>	<b>4,668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,167)</b>	<b>38,541</b>	<b>(4,199)</b>	<b>34,342</b>

There are no restrictions over the title of Auckland Transport's intangible assets; nor are any intangible assets pledged as security for liabilities.

The operating lease is for the land at each of the railway station sites along the Auckland passenger rail network utilised by Auckland Transport. The operating lease value is being amortised over the remaining portion of the 63 year life of the underlying lease. The lease is valued at deemed cost.

## Notes to the Financial Statements for the year ended 31 December 2012

	June 2012	Cost 1 Jul 2011	Accumulated amortisation and impairment charges 1 Jul 2011	Carrying amount 1 Jul 2011	Current year additions	Current year disposals	Current year transfers on asset completion	Current year impairment charges	Current year amortisation	Cost 30 Jun 2012	Accumulated amortisation and impairment charges 30 Jun 2012	Carrying amount 30 Jun 2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>14 Intangible assets</b>												
Software		2,228	(686)	1,542	-	-	6,742	-	(1,779)	8,970	(2,465)	6,505
Operating lease		21,420	(227)	21,193	-	-	-	-	(340)	21,420	(567)	20,853
		<b>23,648</b>	<b>(913)</b>	<b>22,735</b>	<b>-</b>	<b>-</b>	<b>6,742</b>	<b>-</b>	<b>(2,119)</b>	<b>30,390</b>	<b>(3,032)</b>	<b>27,358</b>
Works under construction		3,977	-	3,977	6,249	-	(6,742)	-	-	3,483	-	3,483
<b>Total intangible assets</b>		<b>27,625</b>	<b>(913)</b>	<b>26,712</b>	<b>6,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,119)</b>	<b>33,873</b>	<b>(3,032)</b>	<b>30,841</b>

There are no restrictions over the title of Auckland Transport's intangible assets; nor are any intangible assets pledged as security for liabilities.

The operating lease is for the land at each of the railway station sites along the Auckland passenger rail network utilised by Auckland Transport. The operating lease value is being amortised over the remaining portion of the 63 year life of the underlying lease. The lease is valued at deemed cost.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 31 Dec 2012 \$000	Actual 30 Jun 2012 \$000
<b>15 Creditors and other payables</b>		
Creditors	38,696	48,605
Accrued expenses	82,650	112,445
Amounts due to related parties	16,954	14,836
Income in advance	2,439	1,047
	<b>140,739</b>	<b>176,933</b>

Creditors and other payables are non-interest bearing and are normally settled on 20-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

## 16 Employee entitlements

### Current portion

Accrued salaries and wages	2,016	1,555
Annual leave	5,945	5,937
Sick leave	266	266
Long service leave	93	73
<b>Total current portion</b>	<b>8,320</b>	<b>7,831</b>

### Non-current portion

Retirement gratuities	383	383
Long service leave	517	517
<b>Total non-current portion</b>	<b>900</b>	<b>900</b>
<b>Total employee entitlements</b>	<b>9,220</b>	<b>8,731</b>

## 17 Derivative financial instruments

### Current liability portion

Forward foreign exchange contracts - not hedge accounted	246	975
Forward foreign exchange contracts - hedge accounted	7,261	2,825
<b>Total current derivative financial instruments</b>	<b>7,507</b>	<b>3,800</b>

### Non-current liability portion

Forward foreign exchange contracts - hedge accounted	25,949	16,629
Interest rate swaps - not hedge accounted	31,786	34,034
<b>Total non-current derivative financial instruments</b>	<b>57,735</b>	<b>50,663</b>

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 31 Dec 2012 \$000	Actual 30 Jun 2012 \$000
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### 17 Derivative financial instruments (continued)

#### Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

#### *Forward foreign exchange contracts - not hedged accounted*

The notional principal amount of outstanding forward foreign exchange contracts that were not hedge accounted was NZD \$0.9m (June 2012: NZD \$3.4m). The foreign currency principal amount was EUR 0.4m (June 2012: EUR 1.5m). The loss on their revaluation of \$0.2m (2012: \$1.0m) has been recorded in the net surplus/(deficit).

#### *Forward foreign exchange contracts - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$359.8m (June 2012: \$379.6m). The foreign currency principal amount was USD 255.9m (June 2012: USD 270.9m). These cash flow hedges have been accounted for as effective and the loss of \$33.2m (June 2012: \$19.5m) on their revaluation has been transferred to the cash flow hedge reserve within equity.

#### Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amount of the outstanding interest rate swap contracts was \$460.5m (June 2012: \$465m). At 31 December 2012 the fixed interest rates of cash flow hedge interest rate swaps varied from 4.9% to 5.4% (30 June 2012: 4.8% to 5.4%). The gain on their revaluation of \$2.2m (June 2012: \$34m loss) has been recorded in the net surplus/(deficit).

### 18 Borrowings

#### Current portion

Current loans from Auckland Council	832	448
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#### Non-current portion

Non-current loans from Auckland Council	179,322	112,121
Finance leases	85	-
	<b>179,407</b>	<b>112,121</b>

Weighted average cost of funds on total borrowings	5.32%	4.99%
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Auckland Transport manages its borrowings in accordance with its Treasury Policy. There was no significant changes to the Treasury Policy during the year. Auckland Transport was fully compliant with its Treasury Policy at year end.

Auckland Council provides security for Auckland Transport's borrowings.

Auckland Transport's loans from Auckland Council of \$180.2m (June 2012: \$112.6m) are issued at fixed rates of interest ranging from 4.20% to 6.06% (June 2012: 4.20% to 5.78%). The interest rate of finance leases is 3%.

The fair value of these loans is \$221.1m (June 2012: \$130.9m). The fair value is based on cash flows discounted using a rate based on the borrowing rates ranging from 4.20% to 6.06% (June 2012: 4.20% to 5.78%). The carrying amounts of borrowings repayable within one year approximate their fair value, as the impact of discounting is not significant.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 31 Dec 2012 \$000	Actual 30 Jun 2012 \$000
<b>19 Equity</b>		
<b>Contributed capital</b>		
Opening balance	12,513,880	12,068,982
Contributed capital from Auckland Council during the period	133,711	444,898
Closing balance	<b>12,647,591</b>	<b>12,513,880</b>
<b>Retained (loss)/surplus</b>		
Opening balance	(150,811)	(39,463)
Surplus/(deficit) for the period	406,682	(111,348)
Closing balance	<b>255,871</b>	<b>(150,811)</b>
<b>Asset revaluation reserve</b>		
Opening balance	1,146,705	950,633
Valuation gains taken to equity	-	193,395
Deferred tax on revaluation	-	2,677
Closing balance	<b>1,146,705</b>	<b>1,146,705</b>
Property revaluation reserves for each asset class consist of:		
<i>Operational assets</i>		
Land - finance lease	684	684
Buildings	44,494	44,494
Wharves	-	-
Bus stations and shelters	4,577	4,577
Train stations	160,609	160,609
<i>Infrastructural assets</i>		
Roading	936,341	936,341
Closing balance	<b>1,146,705</b>	<b>1,146,705</b>
<b>Cash flow hedge reserve</b>		
Opening balance	(19,454)	-
Fair value losses during the period	(13,756)	(19,454)
Closing balance	<b>(33,210)</b>	<b>(19,454)</b>
Total other reserves	<b>1,113,495</b>	<b>1,127,251</b>
<b>Total equity</b>	<b>14,016,957</b>	<b>13,490,320</b>

## 20 Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	2012 \$000	2011 \$000
<b>Surplus/(deficit) after tax for six months to 31 December</b>	<b>406,682</b>	<b>(85,042)</b>
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation expense	126,231	109,799
Vested assets	(414,433)	(658)
Loss on disposal of property, plant and equipment	1,232	(215)
Unrealised foreign exchange (gain)/loss	(729)	242
Unrealised (gain)/loss on interest rate swaps	(2,248)	23,231
Income tax	1,125	4,452
<b>Add/(less) movements in balance sheet items:</b>		
Debtors and other receivables	(11,166)	45,063
Inventories	116	552
Creditors and other payables	(9,120)	(51,543)
Employee benefits payable	489	(427)
Other assets	(15,494)	-
<b>Net cash from operating activities</b>	<b>82,685</b>	<b>45,454</b>



## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual	Actual
	31 Dec 2012	30 Jun 2012
	\$000	\$000

### 21 Capital commitments and operating leases

#### Capital commitments

Property, plant and equipment	632,025	574,953
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Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

There are no capital commitments for intangibles.

#### Non-lease operating commitments

Not later than one year	271,647	52,562
Later than one year and not later than five years	4,024	1,998
<b>Total non-lease operating commitments</b>	<b>275,671</b>	<b>54,560</b>

### 22 Contingencies

#### Contingent liabilities

##### *Litigation*

Auckland Transport has received a claim in relation to the Northern Busway and the associated changes to the roading network. Auckland Transport is working to resolve this claim with its solicitors. Part of this claim has been settled, no further liability has been recognised in relation to this claim as any further amount is uncertain.

Auckland Transport has been advised of a potential claim by Snapper Services Limited against Auckland Transport in relation to the Auckland integrated fare system. Auckland Transport is preparing a counter-claim against Snapper. Legal proceedings have not yet been issued by either party.

There are no other material contingent liabilities.

#### Contingent assets

There are no contingent assets as at 31 December 2012.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 6 months to 31 Dec 2012 \$000	Actual 12 months to 30 Jun 2012 \$000
<b>23 Related party transactions</b>		
Auckland Transport is a council-controlled organisation of Auckland Council. Auckland Transport receives a significant amount of funding from Auckland Council to deliver its objectives as specified in Auckland Council's Long-term Plan.		
<i>The following transactions were carried out with related parties during the year:</i>		
<b>Auckland Council</b>		
Purchase of good and services from Auckland Council	32,342	24,398
Sale of goods and services to Auckland Council	9,220	5,930
Grants received from Auckland Council	169,648	323,215
Accounts payable to Auckland Council	20,208	12,503
Accounts receivable from Auckland Council	119,840	167,189
Capital contribution from Auckland Council	133,711	444,898
Loans payable to Auckland Council	180,153	112,569
Electric trains procurement costs	-	41,948
Interest expense to Auckland Council	3,683	2,829
Interest payable to Auckland Council	1,248	1,107
Realised loss on interest rate swaps	6,631	773
Unrealised gain/(loss) on revaluation of interest rate swaps	2,248	(34,034)
Realised loss on foreign exchange contracts - operating expenditure	748	2,446
Unrealised gain on revaluation of foreign exchange contracts	729	1,757
Interest rate swap liabilities	31,786	34,034
Foreign exchange hedge liabilities - hedge accounted	33,210	19,454
Foreign exchange hedge liabilities - not hedge accounted	246	975
Cash flow hedge reserve	(33,210)	(19,454)
<b>Watercare Services Limited</b>		
Purchase of goods and services from Watercare Services Limited	147	415
Sale of goods and services to Watercare Services Limited	24	165
Accounts payable to Watercare Services Limited	10	19
Accounts receivable from Watercare Services Limited	-	50
<b>Auckland Tourism, Events and Economic Development Limited</b>		
Purchase of goods and services from Auckland Tourism, Events and Economic Development Limited	2	-
Sale of goods and services to Auckland Tourism, Events and Economic Development Limited	24	273
<b>Auckland Council Property Limited</b>		
Purchase of goods and services from Auckland Council Property Limited	963	1,101
Accounts payable to Auckland Council Property Limited	258	463
<b>Auckland Waterfront Development Agency Limited</b>		
Purchase of goods and services from Auckland Waterfront Development Agency Limited	-	505
Sale of goods and services to Auckland Waterfront Development Agency Limited	488	482
Accounts payable to Auckland Waterfront Development Agency Limited	623	467
Accounts receivable from Auckland Waterfront Development Agency Limited	353	27
<b>Manukau Beautification Charitable Trust</b>		
Purchase of goods and services from Manukau Beautification Charitable Trust	31	344
Accounts payable to Manukau Beautification Charitable Trust	33	30
<b>Regional Facilities Auckland Limited</b>		
Purchase of goods and services from Regional Facilities Auckland Limited	8	258
Sale of goods and services to Regional Facilities Auckland Limited	53	-
Accounts payable to Regional Facilities Auckland Limited	-	247
Accounts receivable from Regional Facilities Auckland Limited	11	-
<b>Ports of Auckland Limited</b>		
Sale of goods and services to Ports of Auckland Limited	3	-

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 6 months to 31 Dec 2012	Actual 6 months to 31 Dec 2011
	\$	\$

### 23 Related party transactions (continued)

#### Key management personnel

Key management personnel include all board members, the Chief Executive and other senior management personnel.

During the year key management personnel, as part of a normal customer relationship, were involved in minor transactions with Auckland Transport (such as parking or public transport).

During the year Auckland Transport received funding from the NZ Transport Agency (NZTA), of which Auckland Transport board member Geoff Dangerfield is Chief Executive. The funding from NZTA occurred as a result of normal NZTA funding arrangements for approved activities. The value of NZTA funding received by Auckland Transport for the six months to 31 December 2012 totalled \$171m (twelve months to 30 June 2012 totalled \$262m). There was a balance of \$60m outstanding receivables at 31 December 2012 (30 June 2012 - \$54m). Note 12 discloses an asset held in trust for NZTA

Directors have interests in related parties of Auckland Transport, as disclosed in the directors' profiles within the governance section of this annual report. Any transactions with these related parties have been supplied or received in the normal course of business and on normal commercial terms.

Auckland Transport does not provide any post-employment benefits to key management personnel.

Key management personnel compensation:

Salaries and other short-term employee benefits	1,255,897	1,279,388
Post-employee benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total key management personnel compensation</b>	<b>1,255,897</b>	<b>1,279,388</b>

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 24 Board member remuneration

The total value of remuneration paid or payable to each board member during the period was:

Dr Lester Levy (Chair from 1 November 2012)	17,933	-
Mark Ford (Chair to 31 October 2012)	-	-
Philippa Dunphy (Deputy Chair)	39,646	33,312
Geoff Dangerfield	-	-
Christine Fletcher	26,467	26,250
Michael Lee	26,467	26,250
Paul Lockey	30,437	30,188
Dr Ian Parton	30,437	26,906
Rabin Rabindran	26,467	26,250
Mike Williams	26,467	26,250
<b>Total board member remuneration</b>	<b>224,321</b>	<b>195,406</b>

Mark Ford did not accept director fees as Chair of Auckland Transport.

Geoff Dangerfield is an NZTA appointee on the Board of Auckland Transport. Under the terms of establishment legislation he does not receive any remuneration.

Paul Lockey and Ian Parton were remunerated for their roles as Chair's of Board sub-committees.

There have been no payments made to committee members appointed by the board who are not board members during the financial year.

Auckland Transport has provided a deed of indemnity to directors for certain activities undertaken in the performance of Auckland Transport's functions.

Auckland Transport has effected Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability of costs of board members and employees.

No board members received compensation or other benefits in relation to cessation.

## Notes to the Financial Statements for the year ended ended 31 December 2012

	Actual 31 Dec 2012 \$000	Actual 30 June 2012 \$000
<b>25 Other financial instrument disclosures</b>		
<b>25a Categories of financial instruments</b>		
The carrying amounts of financial instruments in each of the NZ IAS 39 categories are as follows:		
<b>Financial assets</b>		
<i>Loans and receivables</i>		
Cash and cash equivalents	7,322	2,840
Debtors and other receivables	212,321	244,302
	219,643	247,142
<b>Financial liabilities</b>		
<i>Fair value through surplus or deficit</i>		
Forward foreign exchange contracts - not hedge accounted	246	975
Interest rate swaps - not hedge accounted	31,786	34,034
	32,032	35,009
<i>Derivatives that are hedge accounted</i>		
Forward foreign exchange contracts - hedge accounted	33,210	19,454
	33,210	19,454
<i>Financial liabilities at amortised costs</i>		
Creditors and other payables	140,739	176,933
Borrowings	180,239	112,569
	320,978	289,502

### 25b Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active market or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	Note	Total \$000	Valuation technique		
			Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
<b>December 2012</b>					
<i>Financial liabilities</i>					
Derivative financial instruments	17	65,242	-	65,242	-
<b>June 2012</b>					
<i>Financial liabilities</i>					
Derivative financial instruments	17	54,463	-	54,463	-

There were no transfers between the different levels of the fair value hierarchy.

## Notes to the Financial Statements for the year ended ended 31 December 2012

### 25c Financial instrument risks

Auckland Transport's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Auckland Transport has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Market risk

##### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Auckland Transport is not exposed to any significant price risk.

##### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates of interest expose Auckland Transport to fair value interest rate risk.

Auckland Transport's borrowings are all issued at fixed rates as the main objective of Auckland Transport's interest rate risk management is to reduce uncertainty around interest expense as interest rates change.

##### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Auckland Transport is not exposed to any significant cash flow interest rate risk.

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. From time to time Auckland Transport purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is Auckland Transport's policy to manage foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts to manage the foreign currency risk exposure.

#### Sensitivity analysis

The potential effect on the surplus or deficit and equity (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, at balance date are as follows:

##### Foreign exchange risk

	NZ \$000 -5% Profit	NZ \$000 -5% Other equity	NZ \$000 +5% Profit	NZ \$000 +5% Other equity
<b>December 2012</b>				
Forward foreign exchange contracts - hedge accounted				
USD derivatives	-	17,681	-	(17,051)
Forward foreign exchange contracts - not hedge accounted				
EUR derivatives	32	-	(29)	-
	<b>32</b>	<b>-</b>	<b>(29)</b>	<b>-</b>
<b>June 2012</b>				
Forward foreign exchange contracts - hedge accounted				
USD derivatives	-	17,725	-	(18,263)
Forward foreign exchange contracts - not hedge accounted				
EUR derivatives	122	-	(118)	-
	<b>122</b>	<b>-</b>	<b>(118)</b>	<b>-</b>

## Notes to the Financial Statements for the year ended ended 31 December 2012

### 25c Financial instrument risks (continued)

#### *Interest rate risk*

	NZ \$000 -100bps Profit	NZ \$000 -100bps Other equity	NZ \$000 +100bps Profit	NZ \$000 +100bps Other equity
<b>December 2012</b>				
<i>Interest rate risk</i>				
Interest rate swaps - not hedge accounted	(31,756)	-	28,303	-
<b>June 2012</b>				
<i>Interest rate risk</i>				
Interest rate swaps - not hedge accounted	(37,734)	-	33,524	-

#### *Explanation of foreign exchange risk sensitivity*

The foreign exchange sensitivity is based on a reasonable possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate of -5%/+5%.

#### *Explanation of interest rate risk sensitivity*

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

#### **Credit risk**

Credit risk is the risk that a third party will default on its obligation to Auckland Transport, causing it to incur a loss.

In the normal course of business, Auckland Transport is exposed to credit risk from cash, debtors and other receivables and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Auckland Transport has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

#### *Credit quality of financial assets*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Actual 31 Dec 2012 \$000	Actual 30 June 2012 \$000
<b>Counterparties with credit ratings</b>		
<i>Cash at bank</i>		
AA-	7,131	2,676
<b>Counterparties without credit ratings</b>		
<i>Debtors and other receivables</i>		
Existing counterparty with no defaults in the past	212,321	244,302
Existing counterparty with defaults in the past	-	-
	<hr/> 212,321	<hr/> 244,302



## Notes to the Financial Statements for the year ended ended 31 December 2012

### 25c Financial instrument risks (continued)

#### Liquidity risk

##### Management of liquidity risk

Liquidity risk is the risk that Auckland Transport will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liability risk management implies maintaining sufficient cash and the ability to close out market positions.

Auckland Transport manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

##### Contractual maturity analysis of financial liabilities, excluding borrowings

The table below analyses Auckland Transport's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount NZ\$000	Contractual cash flows NZ\$000	Less than 6 months NZ\$000	6-12 months NZ\$000	Later than 1 year NZ\$000
<b>December 2012</b>					
Trade and other payables	140,739	140,739	140,739	-	-
Forward foreign exchange contracts					
- outflow	-	360,625	34,874	44,924	280,827
- inflow	-	360,625	34,874	44,924	280,827
<b>June 2012</b>					
Trade and other payables	176,933	176,933	176,933	-	-
Forward foreign exchange contracts					
- outflow	-	382,964	45,284	11,929	325,751
- inflow	-	382,964	45,284	11,929	325,751

##### Contractual maturity analysis of borrowings

The table below analyses Auckland Transport's borrowings into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000	Contractual cash flows \$000	Less than 11 years \$000	11-20 years \$000	21-30 years \$000	31-40 years \$000	41-50 years \$000
<b>December 2012</b>							
Borrowings	180,239	398,286	137,122	81,968	81,968	57,087	40,141
<b>June 2012</b>							
Borrowings	112,569	211,322	96,710	38,405	38,405	24,573	13,229

### 26 Capital management

Auckland Transport's capital is its equity, which comprises contributed capital, retained earnings and revaluation reserves. Equity is represented by net assets.

Auckland Transport is subject to financial management and accountability provisions of the Local Government (Auckland Council) Act 2009, which imposes restrictions in relation to borrowings and the use of derivatives.

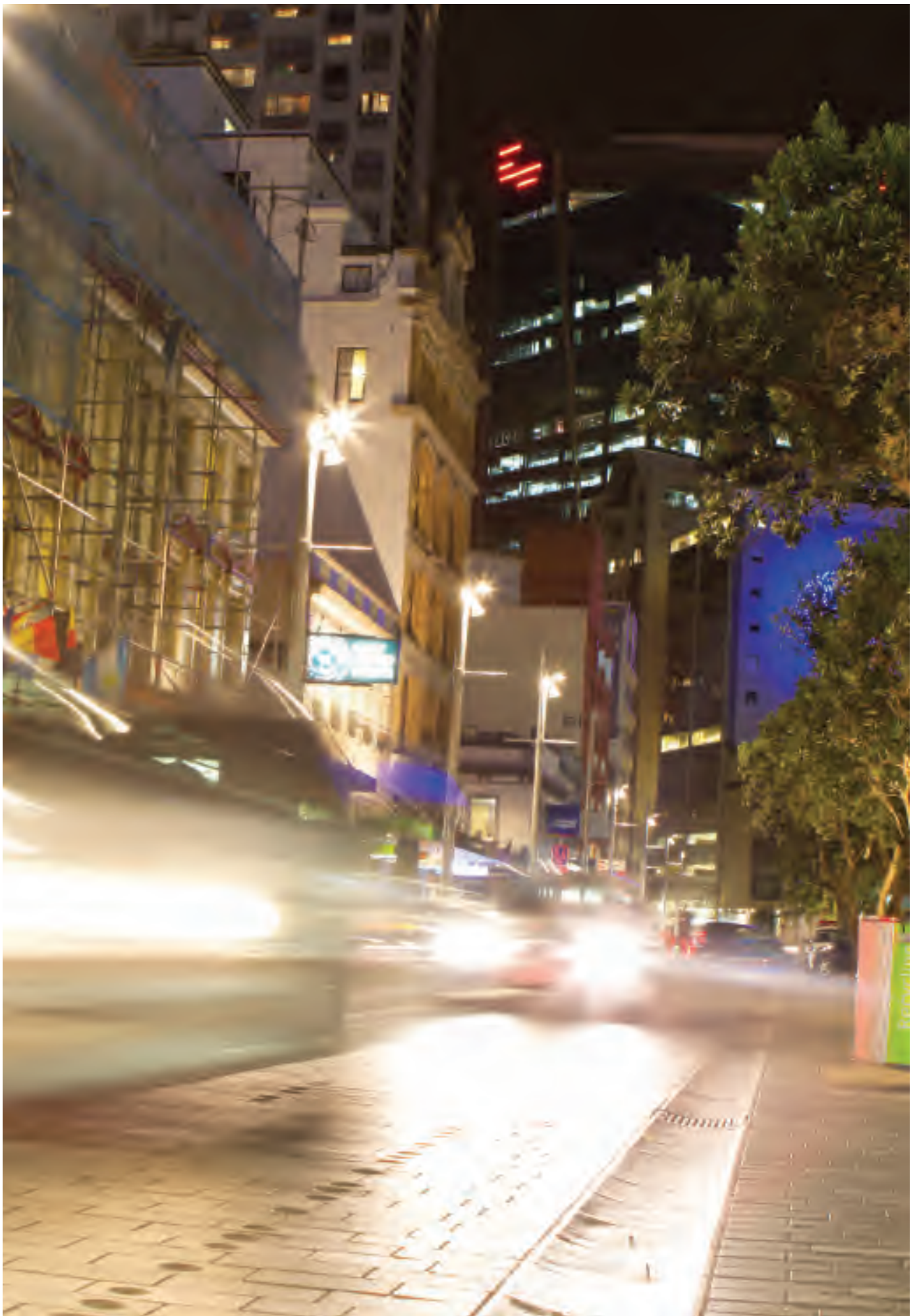
Auckland Transport manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure Auckland Transport effectively achieves its objectives and purpose, while remaining a going concern.

Section 5 - Capital expenditure report

Project	Project definition	Year to date			Full year
		Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Roads and footpaths</b>					
R.600160	Central - Footpath renewals	10,013	8,666	-1,347	22,507
R.600154	Central - Pavement Resurfacing	10,553	7,133	-3,420	14,857
R.600204	North Pavement rehabilitation sealed	6,071	6,095	24	14,593
R.600101	South - Pavement Resurfacing	5,437	5,612	175	14,243
R.600102	South - Pavement Rehabilitation	7,282	4,615	-2,667	11,383
R.600203	North - Pavement Resurfacing	4,753	4,579	-174	9,503
R.600254	West - Road Resurfacing	2,972	3,089	117	7,976
R.600155	Central - Pavement Rehabilitation	3,610	3,361	-249	7,817
R.600255	West - Pavement rehabilitation sealed	4,091	2,967	-1,124	7,365
R.600164	Central - Kerb & channel renewals	4,455	3,363	-1,092	5,832
R.600251	West External TSS contracts	719	1,883	1,164	4,930
R.600158	Central - Bridge structures renewals	1,418	1,821	403	4,235
R.600151	Central External TSS contracts	1,675	1,573	-102	4,104
R.600107	South Footpath Renewals	1,793	1,630	-163	3,790
R.006149	JTOC - Traffic Signals renewals	1,330	1,343	13	3,717
R.600286	Streetlight Renewals - Central	2,360	1,546	-814	3,596
R.600114	South External TSS contracts	749	1,512	763	3,517
R.600152	Central - Preseal repair	2,020	1,769	-251	3,510
R.600201	North External TSS contracts	402	1,321	919	3,459
R.600209	North - Footpath Renewals	2,116	1,428	-688	3,320
R.600287	Streetlight Renewals - South	545	848	303	1,972
R.600260	West - Footpaths renewals	1,257	835	-422	1,943
R.600207	North -Bridge structures cpt replacement	919	809	-110	1,882
R.600252	West - Preseal repairs	1,562	911	-651	1,560
	<b>Total projects with budget more than \$1.5 million</b>	<b>78,102</b>	<b>68,709</b>	<b>-9,393</b>	<b>161,611</b>
	<b>Total projects with budget less than \$1.5 million</b>	<b>11,669</b>	<b>9,367</b>	<b>-2,333</b>	<b>20,051</b>
<b>Public transport</b>					
R.006016	PT Capex Renewals (Rolling Stock)	0	2,857	2,857	5,715
R.006018	Station Renewals	0	821	821	1,643
	<b>Total projects with budget more than \$1.5 million</b>	<b>0</b>	<b>3,678</b>	<b>3,678</b>	<b>7,358</b>
	<b>Total projects with budget less than \$1.5 million</b>	<b>1,535</b>	<b>1,409</b>	<b>-128</b>	<b>2,865</b>
<b>Parking and enforcement</b>					
R.006163	On Street PnD Machine Renewal	47	1,368	1,321	4,104
	<b>Total projects with budget more than \$1.5 million</b>	<b>47</b>	<b>1,368</b>	<b>1,321</b>	<b>4,104</b>
	<b>Total projects with budget less than \$1.5 million</b>	<b>225</b>	<b>681</b>	<b>485</b>	<b>2,121</b>
	<b>Total renewal capital expenditure with budget more than \$1.5 million</b>	<b>78,149</b>	<b>73,755</b>	<b>-4,394</b>	<b>173,073</b>
	<b>Total renewal capital expenditure with budget less than \$1.5 million</b>	<b>13,429</b>	<b>11,457</b>	<b>-1,976</b>	<b>25,037</b>
	<b>Total renewal capital expenditure</b>	<b>91,578</b>	<b>85,212</b>	<b>-6,370</b>	<b>198,110</b>

Section 5 - Capital expenditure report

Project	Project definition	Year to date			Full year
		Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Roads and footpaths</b>					
various	AMETI	46,880	47,414	534	100,005
C.100231	Regional Road Reconstruction	0	4,508	4,508	20,619
C.001618	NORSGA PC 15 Massey North T/C	8,433	8,180	-253	17,249
C.100109	Safety and minor improvement	4,773	4,169	-604	13,897
C.001504	Albany Highway Upgrade	1,087	5,182	4,095	10,928
C.100113	Tiverton-Wolverton Stage 2	3,867	4,889	1,022	10,309
C.100248	Local Board Initiatives	0	4,889	4,889	10,309
C.001149	Glenfield Road (Bentley to Sunset)	6,699	4,171	-2,528	8,796
C.100108	Safety around schools	2,037	2,101	64	8,375
C.001148	Taharoto-Wairau Stage 6&8	761	3,545	2,784	7,474
C.001690	Unallocated Cycleway Prog	0	2,935	2,935	6,956
C.001489	Te Atatu Rd : Corridor Improvements	920	3,180	2,260	6,706
C.001452	New Lynn TOD Stage 5 Great North Road	2,711	1,474	-1,237	3,108
C.100111	Regional safety programme	689	904	215	3,093
C.100117	Network Performance	704	977	273	3,093
C.001566	Waiouru Peninsular to Highbrook	3,390	1,217	-2,173	2,435
<b>Total projects with budget more than \$1.5 million</b>		<b>82,951</b>	<b>99,735</b>	<b>16,784</b>	<b>233,352</b>
<b>Total projects with budget less than \$1.5 million</b>		<b>15,491</b>	<b>7,225</b>	<b>-8,267</b>	<b>15,242</b>
<b>Public transport</b>					
C.100307	City Rail Link Project	10,021	7,750	-2,271	110,495
C.001050	Manukau City Rail Link	2,226	5,337	3,111	15,829
C.100128	Mt Albert Train Station Upgrade	1,402	2,632	1,230	7,808
C.100431	AIFS Capex 2013	5,301	4,126	-1,175	6,002
C.100351	Parnell Train Station	238	1,390	1,152	4,124
C.001374	Park and Ride Silverdale Stg 1	180	1,289	1,109	3,825
C.100129	Papakura Train Station Upgrade	2,507	1,234	-1,273	3,660
C.001013	HGI Wharves Development (Tryphena)	2,111	913	-1,198	1,826
C.100400	SMART (formerly as SWAMMCP)	1,099	574	-525	1,701
<b>Total projects with budget more than \$1.5 million</b>		<b>25,085</b>	<b>25,245</b>	<b>160</b>	<b>155,270</b>
<b>Total projects with budget less than \$1.5 million</b>		<b>12,890</b>	<b>4,409</b>	<b>-8,482</b>	<b>8,675</b>
<b>Electric multiple units (EMUs)</b>					
C.100186	EMU Depot	23,816	29,631	5,815	52,263
C.100308	EMU Procurement	21,246	26,551	5,305	44,080
C.100182	EMU Procurement	58	0	-58	0
<b>Total projects with budget more than \$1.5 million</b>		<b>45,120</b>	<b>56,182</b>	<b>11,062</b>	<b>96,343</b>
<b>Parking and enforcement</b>					
<b>Total projects with budget less than \$1.5 million</b>		<b>1,301</b>	<b>2,534</b>	<b>1,237</b>	<b>5,229</b>
<b>Others</b>					
C.100227	Customer Services Experience	630	1,722	1,092	2,680
<b>Total projects with budget more than \$1.5 million</b>		<b>630</b>	<b>1,722</b>	<b>1,092</b>	<b>2,680</b>
<b>Total projects with budget less than \$1.5 million</b>		<b>2,914</b>	<b>3,005</b>	<b>92</b>	<b>4,876</b>
<b>Total new capital expenditure with budget more than \$1.5 million</b>		<b>153,786</b>	<b>182,884</b>	<b>29,098</b>	<b>487,645</b>
<b>Total new capital expenditure with budget less than \$1.5 million</b>		<b>32,596</b>	<b>17,173</b>	<b>-15,420</b>	<b>34,022</b>
<b>Total new capital expenditure</b>		<b>186,382</b>	<b>200,057</b>	<b>13,678</b>	<b>521,667</b>



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