

# Auckland Transport – Half Year Report to Auckland Council

## For the half year ended 31 December 2011

### 1. BACKGROUND

The Local Government Act 2002, Section 66, 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 2011 to 31 December 2011 and provides an overview of the organisation's performance during this period.

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

- 1) Programme of Action
- 2) Non-financial performance
- 3) Financial performance

### 2. EXECUTIVE SUMMARY

Auckland Transport (AT) has entered into a supply agreement with Construcciones y Auxiliar de Ferrocarriles (CAF) to purchase 57 Electric Multiple Units (EMUs). The first EMU will be in service in late 2013 with a full fleet in service by mid-2016. AT also entered into a 12 year Maintenance Agreement with CAF to maintain the EMUs at a depot to be built by AT, by June 2013.

AT has made significant progress on its major road construction projects during the quarter. These include the commencement of the construction of the Mountain Road contract (part of the AMETI project), awarding of the Panmure main works contract (part of AMETI project) and the completion of Clark Street and Totara Avenue. The designs of various roading projects in new development areas were mostly completed.

A number of projects under the major schemes proposed for study, investigation or design are moving ahead as expected. Notable development includes progress on the City Rail Link project.

Major transport projects are continuing to progress well. The Auckland Integrated Fare System (AIFS) project is now moving into the next stage of roll out with preparatory activity for this stage being well advanced. Various real time public information system projects are also underway.

AT is continually coordinating with other agencies on significant transport projects. AT worked closely with NZTA in various projects to develop and manage the state highways and regional arterial road system as one network. Various projects include route optimisation, real time travel information and close coordination of capital works projects.

The draft Regional Land Transport Programme (RLTP) is nearing completion. The RLTP is expected to be approved by AT's CEO and Board by February 2012.

Performance as measured under the 2011/12 Statement of Intent (SOI) remained high during the quarter. Out of the 26 performance measures with actual results this period, 22 performance measures met the target. Four of the performance measures were behind target and these were mainly due to roadworks and the RWC 2011.

AT's YTD net deficit after tax was \$61.8m which was \$44.7m unfavourable to forecast. This was due to operating income below forecast by \$0.2m, operating expenditure above forecast by \$1.0m, non-operating income below forecast by \$39.0m and unforecasted tax expense of \$4.5m. Capital expenditure YTD was \$237.0m, an underspend to forecast of \$30.2m.

### 3. KEY BUSINESS ACTIVITIES

#### 3.1. Programme of Action (POA)

Auckland Transport's SOI states that Auckland Transport's overarching outcome is to deliver **“an effective and efficient transport system that enables Aucklanders to make smarter transport choices”**.

To achieve that overarching outcome Auckland Transport identified the following impacts:

- 1) A properly connected and maintained arterial road network that is integrated with the state highway network and moves people and goods efficiently and safely
- 2) An integrated and connected public transport network of rapid, high-quality and local connector services that is attractive to customers
- 3) Effective infrastructure and services for walking, cycling and ride-sharing that help reduce car dependency
- 4) Customer satisfaction with the infrastructure and services provided by Auckland Transport

Auckland Transport has developed a “Programme of Action” (POA) aimed at achieving the impacts and outcome stated above.

The POA comprises a package of activities and initiatives to be undertaken over the next three years. The next section provides an update on the progress of each of these initiatives. The initiatives are categorised as follows:

- |       |  |
|-------|--|
| POA 1 | Major road construction  |
| POA 2 | Major schemes proposed for study, investigation or design          |
| POA 3 | Council-proposed schemes for study, investigation or design        |
| POA 4 | Major public transport projects                                    |
| POA 5 | Coordination with other agencies on significant transport projects |
| POA 6 | Regional Land Transport Programme                                  |

#### **POA 1 Major road construction**

##### **POA 1.1 Auckland-Manukau Eastern Transport Initiative (AMETI) Project**

The construction of Mountain Road contract has commenced. The contract for Panmure main works has been awarded to Fletcher Construction. The Panmure main works will start in January and continue until 2014, and it will be Auckland Transport's largest construction project. NZTA is a major funder of AMETI.

##### **POA 1.2 New roading connections and improvements associated with the New Lynn rail trenching and transport interchange**

Clark Street and Totara Avenue have been completed and practical completion has been issued.

**POA 1.3 Rooding projects in new development areas, especially Flat Bush, East Tamaki, Long Bay and Pukekohe**

The Flat Bush School Road upgrading Stages 2 and 3 designs have been completed and physical works have been awarded.

The Murphy's Road upgrade – Murphy's Bush (North of Thomas Road to Flat Bush School Road) preliminary design has been completed and detailed design is under way as part of Mill Rd.

The Chapel Road Realignment and Bridge/Ormiston Road to Stancombe Road scheme assessment report (SAR) has been completed, however transport planning and hydraulic issues are still being resolved.

The Ormiston Road – North side widening Ti Irirangi Drive to Chapel Road detailed design has been completed, however land acquisition issues are still holding up the project.

The Ormiston/Preston and Smales/Allens intersections are both subject to property purchases which are progressing very slowly. The objection to the Ormiston/Preston NOR (Notice of Requirement) is still active.

The Mill Road corridor study tender for completion of scheme assessment report (SAR) has been uploaded.

The Flat Bush to Manukau City Centre rooding upgrades including key bus-link from Flat Bush to Manukau Station SAR tender has been delayed. The tender is expected in early 2012.

**POA 1.4 Local roads improvements associated with major NZ Transport Agency projects, including SH20 Waterview and SH16 upgrades**

The Hobsonville Road detailed design is under way and the proposed preliminary road layout has been completed. AT is currently coordinating with external stakeholders to finalise the Lincoln Rd / Central Park Dr intersection.

The Te Atatu Road detailed design has continued and consultation has commenced.

The Tiverton/Wolverton tender documentation has been prepared and pending NZTA subsidy confirmation will go to the market before 31 January, with the contract award expected by the end of March 2012. Detailed design is under way for Super Stops on Manukau Station Rd and Ronwood Ave.

**POA 1.5 Completion of rooding projects to ensure the success of Rugby World Cup 2011 (RWC), for example the Sandringham Road realignment**

All rooding, footpath upgrades were completed prior to RWC 2011.

**POA 2 Major schemes for study, investigation or design**

**POA 2.1 City Rail Link – Auckland Transport intends to seek a designation to construct and operate the City Rail Link, including acquiring any necessary land over time.**

The route designation planning of the City Rail Link project is progressing well. Various review of APB&B (consultant group that undertook the CBD Rail Link Study comprised of AECOM, Parsons Brinckeroff, Beca and Hassell) initial study work was undertaken. The CBD Access study scope has been finalised and advertised and it is expected that work will start in early to mid 2012.

### **POA 2.2 Rail Rapid Transit link to the Airport – investigation and route protection**

Phase 1 has identified a preferred way forward which includes route protection for rail from Onehunga to Puhinui via the airport. Four of the five project partners (AT, AC, KiwiRail and AIAL) have supported moving to phase 2 which is scheme assessment of the project. NZTA is currently reviewing the additional analysis they require in order to support the conclusions of Phase 1. NZTA is expected to support moving the project to Phase 2.

### **POA 2.3 Rail to the North Shore**

Auckland Council is currently undertaking an investigation into the land use preconditions for rapid transit. This will be the basis for future work into the identification of corridors.

### **POA 2.4 A walking/cycling bridge under the Auckland Harbour Bridge**

The project handover to AT has not yet occurred, as it is dependent on NZTA having to complete their report first. The structural assessment of the project is still in progress and it is expected that the document will be available by the end of January 2012. The funding for the project was to have been based on a Private/Public Partnership (PPP) model, however the private partner has yet to be confirmed by the Pathway Working Group that are promoting this proposal. A submission for funding was made to the LTP, but no amount has been included as it is intended to make further submissions during the hearings phase.

### **POA 2.5 Dominion Road Review**

The Dominion Road concept options have been developed and socialised with key stakeholders and a preferred option is now in advance stage for public consultation in February 2012.

### **POA 2.6 Removal of rail level crossings**

Prioritisation is being updated and reviewed in light of Auckland Plan and rail improvement projects. Priorities and programme will be incorporated in the Regional Passenger Transport Plan.

### **POA 2.7 Albany Highway Corridor upgrade**

The Albany Highway Corridor upgrade detailed design has been completed. The detailed design will be reviewed and audited. Negotiations relating to two land purchases for roads, one land purchase for stormwater and one land owner approval for relocation of power pole are ongoing. Notice of Requirement (NOR) hearing was held in December 2011 and decision is expected in February 2012. It is expected that an environment court appeal from Timberworld will be submitted. The Integrated communication plan for the upgrade is currently under development.

### **POA 2.8 Improved accessibility to the waterfront and city centre**

AT has initiated the development of the programme of activities to deliver the transport outcomes of the City Centre Masterplan (such as the Quay Street Boulevard). This is due to be completed mid 2012.

### **POA 2.9 School, Tertiary, Area, and Workplace Travel Plans**

Eight schools across the region launch their safe school travel plans and have reached agreement on safety engineering measures to be delivered in 2012. An additional ten schools confirmed to launch their travel plans in Term 1 2012. This has been a great achievement from the schools and partners including NZ Police to see an increase in awareness of road safety messages and school travel options being undertaken.

Schools and Walking School Buses completed their roll call surveys to provide Auckland Transport with an updated picture of how students travelled to school. The results of the surveys will be used to present the annual Travelwise awards to the schools for changes in travel behaviour and mode share.

An additional 15 new schools signed up as part of the “new intact of 50” for the 2012 school year Safe School Travel Plan programme.

Travel planning activities including public transport trials and cycle trials have been completed with businesses on the travel plan programme including the Auckland Region’s District Heath Boards and Victoria Park Construction Alliance.

Events and development of travel plans have been undertaken for the Travel Management Associations (TMA) including Wynyard Quarter, North Harbour and East Tamaki.

Personal Journey Planning has been completed the first stages of survey work in New Lynn and Stage 2 including follow ups with the general public in the residential areas and business users.

Development and trial of retail package with town centres (first trial at Botany town centre). This builds on the staff travel plan with 'car-free' Christmas - focus on public transport and active modes. Expo was held on 13 December and evaluation early 2012. It also features visitor travel planning through a public transport campaign, improved travel information and courier delivery service.

#### **POA 2.10 Henderson – Albany Rapid Transit Network study**

The scope of work has been agreed with NZTA. The contract has been awarded to McCormick Rankin Cagney in December 2011 and the work will start in January 2012.

#### **POA 2.11 Development of a new rail station at Parnell**

The contract has been awarded to enable the station track works to be completed over the Christmas period.

### **POA 3 Council-proposed schemes for study, investigation or design**

#### **POA 3.1 Review of ferry services**

The use of enhanced ferry services during RWC was used to gauge user demand for enhanced services. Patronage experienced during RWC showed three primary trends. Firstly, that people saw benefits in using the ferries for attending special events. Additional services were put on in locations that currently have no weekend service. Secondly, that more service was required for weekends from North Shore and Half Moon Bay, especially late night sailings. The feedback from customers was that the current weekend timetables were not suited to them and they needed services during the day. People preferred the extra late morning and early afternoon services that were put on for RWC. Thirdly, the locations that currently have no weekend services (West Harbour and Pine Harbour) received feedback that the service was good during RWC. Pine Harbour in particular is considered to be a good candidate for the implementation of services in the weekends and a late night sailing on Friday. This feedback informed a project now underway between Auckland Transport and Fullers Group reviewing the weekend timetable for Half Moon Bay, Birkenhead, Northcote Point and Bayswater and on 17 December a three months trial service was started with improved spread of service and an additional sailing in the evening on Saturday for all locations. Current patronage is tracking 52% higher than last year, with the revised services are showing good uptake by residents.

### **POA 3.2 Better identification of bus lanes**

Feedback from NZTA Traffic Control Devices Steering Group has suggested a 12 month rather than six months trial period for the Bus Lane Project.

This has been agreed and the revised timelines are:

- Trial commences 1 June 2012
- Trial complete and evaluation/consultation commences 31 May 2013
- Evaluation/consultation complete 31 July 2013
- Finalisation of standards for entire Auckland Region 31 August 2013
- Roll out of standards to new and existing Bus Lanes 31 August 2013

For Grafton Bridge separately:

- Final option tested with survey group and transport advocacy groups 28 February 2012
- Consultation with NZTA, Police, Public Transport Operators completed 28 February 2012
- Detailed design completed 15 March 2012
- Roll out of communication plan starts 15 March 2012
- Implementation completed 30 April 2012

### **POA 3.3 Restoration of the rail station at Tamaki**

The time table modelling by Interfleet for the EMUs will be completed both with and without the inclusion of the Tamaki Station once the EMU operating parameters are confirmed by CAF. The rail timetable scenario will be tested once modelling capacity becomes available early in 2012.

### **POA 3.4 Moving more buses faster at peak times through implementing substantially more bus and transit lanes**

The bus and transit policy and guidelines have been completed. The Bus and transit lane steering group is reviewing the existing use throughout the region.

### **POA 3.5 Collaboration on combatting graffiti vandalism**

AT has been participating and advising on the Auckland Graffiti Action Forum. The Forum is a mixture of CCO's, community action groups (Tag Out Trust, Manukau Beautification Trust etc), commercial operators providing graffiti solutions and large private firms with street assets that are repeatedly targeted (e.g. Power Companies). The last meeting was held in December and was chaired by Mayor Brown.

Auckland Council's CDAC (Community Development Arts and Culture) department is recognised as having the lead for graffiti vandalism management and is currently developing a regional graffiti vandalism plan that will set the direction for how Council manages graffiti vandalism across the region. A single Council department managing graffiti vandalism eradication offers the opportunity for standardised service levels and delivery and a number of departments have already indicated their intention to transfer responsibility for graffiti management to CDAC. Auckland Transport will continue to work with Auckland Council on the above initiatives to combat graffiti vandalism.

### **POA 3.6 Review of public transport, particularly in the southern sector covered by the Mangere-Otahuhu, Otara-Papatoetoe and Manurewa local board areas.**

The draft design specification for the Otahuhu Rail Station has been completed. The Otahuhu Rail Station is planned to be upgraded in 2012. A feasibility study for the bus/rail interchange and Park & Ride parking at the Otahuhu Rail Station was also requested.

**POA 4 Major public transport projects****POA 4.1 Integrated fares and ticketing for use on public transport services across the region**

The project is now moving into the next stage of rollout with preparatory activity for this stage being well advanced. Commencing in February 2012, a Limited Functionality Pilot (LFP2) will begin. This will be a closed trial, involving an invited audience, and will focus on field testing commuter related aspects of the system and processes. This will begin with around 100 participants growing to around 2000 by June 2012. This phase will provide insight into some further aspects of the future integrated ticketing system. The data collected and lessons learned from the Pilot will be used to help assist the transition into the full implementation of HOP later in the year.

In parallel with the Limited Functionality Pilot (LFP2) rollout, work is progressing well for the CORE system go-live mid-2012. Public support for HOP on NZBus has grown again, with active users of the HOP smartcard rising now in excess of 100,000.

**POA 4.2 Extension of the real time public information system**

Ferry services and train services moved to real-time public information system in December. The installation of rail station real time signs continues. The full real time service display is now being trialled on Onehunga line. The solar powered sign roll out in medium patronised bus stops is nearing completion.

**POA 4.3 Completion of the Manukau rail station and bus interchange**

The rail station at platform level is substantially complete and trains have entered the station for driver training. It will be open to the public in March 2012 with a temporary entrance while the combined MIT/Station building is constructed. The construction on the MIT / Station building has been awarded.

**POA 4.4 Further implementation of the New Lynn Transport Oriented Development, including transport centre and interchange**

The tender for McCrae Way has been completed and contract award is imminent. The Detailed design for Great North Road streetscape and preliminary design for the station canopy extension have been completed.

**POA 5 Coordination with other agencies on significant transport projects****POA 5.1 Work with KiwiRail to ensure the successful electrification of Auckland's rail network and delivery of electric trains**

The Electric Multiple Units (EMUs) contract has been awarded and the design and manufacture is underway. The detailed design of the depot is making good progress. The overhead line mast installation is also progressing well and in accordance with plan. The Western Line earth wire installation is progressing as planned. The signalling commissioning at Morningside to Swanson line was completed in December while the Wiri to Papakura line is expected to be completed in January 2012.

**POA 5.2 Work with NZTA on the investigation and route protection for an additional Waitemata Harbour crossing, including rail**

NZTA has commissioned further work on the timings and need for the additional crossing. AT is a stakeholder in that process. AT attended a workshop with AC and NZTA to discuss issues regarding Victoria quarter proposals and changes to Cook St Interchange relating to the additional crossing.

### **POA 5.3 Work with NZTA to develop and manage the State highways and regional arterial road system as one network**

The Rugby World Cup (RWC) was an example of close co-operation between JTOC and the Major Events Operations Centre (MEOC) to ensure that the RWC teams and VIPs were successfully motorcaded to and from the venues. There was close cooperation between the MEOC located at Bledisloe House and the JTOC located at Smales Farm resulting in well co-ordinated traffic control and the avoidance of any major traffic related incidents. Traffic signals were used to ensure that public transport servicing the event was kept moving.

On Route optimisation - AT has committed to a four year plan to fund the optimisation of all of the major arterial routes over the next four years. The opportunity is to not only maximise the efficiency of the arterial network but to do it in conjunction with the motorway network to derive the benefits of the 'One Network' approach. JTOC will then fulfil an ongoing role to ensure that the routes remain 'optimised'. Three key city routes (Symonds Street, Dominion Road and St. Lukes Road) have been reviewed and changes made which have resulted in significant operational efficiencies and safety benefits. It is estimated that for the three routes combined, a total of 420,000 hours in travel time savings will be gained in the first year, along with a reduction of 1,388 tonnes of CO2 emissions and approximate fuel savings of 560,000 litres. This first year benefit for the three routes has been costed at approximately \$7.6m. Routes that are being looked at in the next six months include Green Lane, a large portion of Great South Road, Broadway and Khyber Pass Road. The objective is to complete route optimisation on 10% of the arterial road network by the end of this financial year, with a target extending to 30% of the network by the end of the following year.

On Real Time Travel Information - This is a project to enable a better understanding of the performance of the network and expected travel times at different times of the day. Data is gathered in real time and used to predict travel times for the route. This information is then made available to the public. This has been successfully implemented on the CBD to airport route with the provision of six electronic Variable Message Signs that can display projected journey times. Preliminary results indicate that travel times have improved along this route and are being maintained at an average of 40 minutes per trip (peak times). Congestion information is available on the NZTA web-site. This project is one of the first to apply the one network approach where the journey includes both arterial routes and segments of the motorway. The next route being worked on is the SH16 to SH1 route along St Lukes, Balmoral and Greenlane Roads.

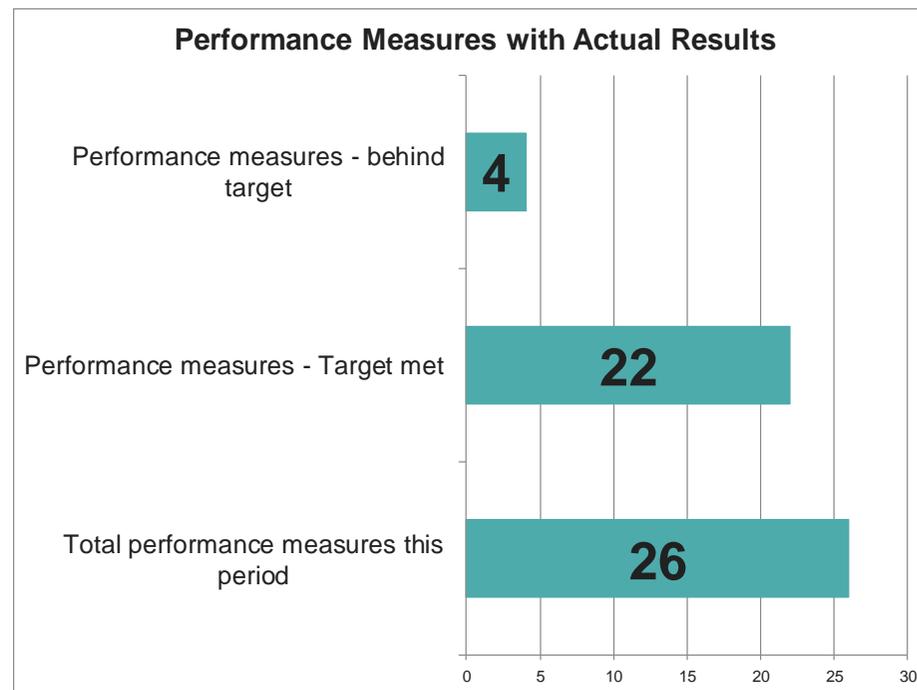
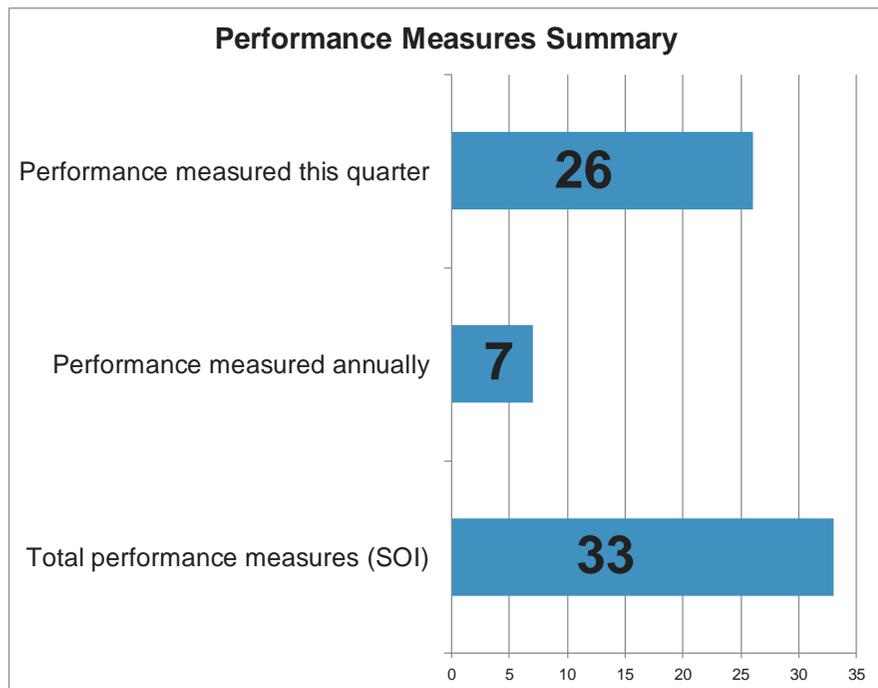
On Co-ordination of Capital works projects - Improved communication on NZTA and AT capital works forward works programmes is providing better communications on the likely impacts to customers. This is enabling customers to choose alternative routes or alternative modes of transport where works may impact on their travel times. Examples of where this has been successfully applied is the Broadway Motorway Viaduct replacement and the Victoria Park Tunnel operational hand-overs.

### **POA 6 Regional Land Transport Programme**

#### **POA 6.1 Auckland Transport will also prepare the Regional Land Transport Programme for Auckland in accordance with the Land Transport Management Act 2003.**

The draft Regional Land Transport Programme (RLTP) is nearing completion. The RLTP is expected to be approved by AT's CEO and Board by February 2012.

### 3.2. Non-financial performance



The following tables outline the performance measurement framework adopted by Auckland Transport listed under the SOI 2011 – 2014. The performance measures included in the framework will enable Auckland Transport to outline the levels of service it intends to provide, and demonstrate how it is providing effective interventions and value for money. The outputs listed in the tables are the projects comprising the POA outlined in 2.1. However, the major schemes for proposed study, investigation or design are not included in the table as results will not be realised from those schemes until they progress from the study/investigation phases. The tables include only the targets for the year to June 2012.

This section provides an update on performance measures for which December 2011 results are available or indicates if measured annually.

**Outcome: An efficient and effective transport system for Auckland that enables Aucklanders to make smarter transport choices**

What we are seeking to achieve – <i>the impact</i>							
1. A properly connected and maintained arterial road network that is integrated with the state highway network and moves people and goods efficiently and safely							
What we will do to achieve it – <i>the output(s)</i>							
<ul style="list-style-type: none"> <li>• Work with NZTA to develop and manage the state highways and regional arterial road system as one network</li> <li>• Work with NZTA on the investigation and route protection for an additional Waitemata Harbour crossing, including rail</li> <li>• AMETI project</li> <li>• New Lynn rail trenching and transport interchange</li> <li>• Rooding projects in new development areas</li> <li>• Local road improvements associated with major NZTA projects</li> <li>• Rugby World Cup 2011 projects</li> </ul>							
How will we know we are successful							
Ref	How we will demonstrate success in achieving it – <i>the performance measure</i>	Actual 1 Nov 2010 to 30 Jun 2011	Target 1 Jul 2011 to 30 Jun 2012	Actual Q1 1 Jul 2011 to 30 Sep 2011	Actual Q2 1 Oct 2011 to 31 Dec 2011	Actual YTD 1 Jul 2011 to 31 Dec 2011	Comments
1.1	Travel times along strategically important arterial routes during morning peak hour	November 2010 - 85% of trips within these travel times (minutes)	85% of trips within these travel times (minutes)				
	<ul style="list-style-type: none"> <li>• Airport to CBD via Manukau Rd</li> <li>• CBD to Airport via Manukau Rd</li> </ul>	41	41	47	37	37	 Target met.
		41	41	35	38	38	 Target met.

Ref	How we will demonstrate success in achieving it – the performance measure	Actual	Target	Actual Q1	Actual Q2	Actual YTD	Comments	
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	1 Oct 2011 to 31 Dec 2011	1 Jul 2011 to 31 Dec 2011		
	<ul style="list-style-type: none"> <li>St Lukes to St Johns via St Lukes Rd/ Greenlane/ Remuera Rd</li> </ul>	41	41	44	40	40		Target met.
	<ul style="list-style-type: none"> <li>St Johns to St Lukes via Remuera Rd/ Greenlane/ St Lukes Rd</li> </ul>	58	58	56	53	53		Target met.
	<ul style="list-style-type: none"> <li>Albany to Birkenhead via Glenfield Rd</li> </ul>	34	34	32	32	32		Target met.
	<ul style="list-style-type: none"> <li>Birkenhead to Albany via Glenfield Rd</li> </ul>	26	26	26	26	26		Target met.
	<ul style="list-style-type: none"> <li>Henderson to CBD via Gt North Rd</li> </ul>	50	50	54	50	50		Target met.
	<ul style="list-style-type: none"> <li>CBD to Henderson via Gt North Rd</li> </ul>	38	38	43	34	34		Target met.
1.2	<p>Travel times along strategically important freight routes during the inter-peak period (9am-4pm)</p> <ul style="list-style-type: none"> <li>From SH 20 to SH 1 via Nielson St</li> <li>From SH 1 to SH 20 via Nielson St</li> </ul>	<p>November 2010 -85% of trips within these travel times (minutes)</p> <p>16</p> <p>13</p>	<p>85% of trips within these travel times (minutes)</p> <p>16</p> <p>13</p>	<p>16</p> <p>15</p>	<p>18</p> <p>14</p>	<p>18</p> <p>14</p>	 	<p>Extensive road works resulted in slower times. Works expected to be completed by end of March 2012 which should see improved travel times.</p>

Ref	How we will demonstrate success in achieving it – the performance measure	Actual	Target	Actual Q1	Actual Q2	Actual YTD	Comments	
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	1 Oct 2011 to 31 Dec 2011	1 Jul 2011 to 31 Dec 2011		
	<ul style="list-style-type: none"> <li>From Sylvia Park to East Tamaki via South-eastern arterial</li> </ul>	11	11	10	10	10		Target met.
	<ul style="list-style-type: none"> <li>From East Tamaki to Sylvia Park via South-eastern arterial</li> </ul>	12	12	10	10	10		Target met.
	<ul style="list-style-type: none"> <li>From SH 1 to SH 18 via Wairau Rd</li> </ul>	8	8	8	8	8		Target met.
	<ul style="list-style-type: none"> <li>From SH 18 to SH 1 via Wairau Rd</li> </ul>	8	8	8	8	8		Target met.
	<ul style="list-style-type: none"> <li>From East Tamaki to SH 1 Highbrook interchange via Harris Rd</li> </ul>	10	10	10	10	10		Target met.
	<ul style="list-style-type: none"> <li>From SH 1 Highbrook interchange to East Tamaki via Harris Rd</li> </ul>	11	11	10	10	10		Target met.
1.3	Proportion of arterial road network for which real time travel or congestion information available	New measure	8% by June 2012	6%	6%	6%		Project on track. It is expected that the targets will be met by the end of the financial year.
1.4	Proportion of arterial road network with signal optimisation in place	New measure	10% by June 2012	3%	5%	5%		

**What we are seeking to achieve – the impact**

**2.** An integrated and connected public transport network of rapid, high-quality and local connector services that is attractive to customers

**What we will do to achieve it – the output(s)**

- Integrated fares and ticketing
- Extension of real time public information system
- Completion of the Manukau rail station and bus interchange
- Schools, Tertiary Area, Work Travel Plans
- Further implementation of the New Lynn Transport Oriented Development
- Work with KiwiRail to ensure the successful electrification of Auckland's rail network and delivery of electric trains

**How will we know we are successful**

Ref	How we will demonstrate success in achieving it – the performance measure	Target		Actual		Comments
		1 Jul 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Oct 2010 to 30 Sep 2011	1 Jan 2011 to 31 Dec 2011	
2.1	Total public transport patronage - annual boardings for bus, rail and ferry	65,763,655	66,725,000	67,682,156	69,401,126	 Target met.
2.2	Rapid transit busway annual boardings	2,056,890	2,160,000	2,153,830	2,233,943	 Target met.
2.3	Rapid transit rail annual boardings	9,864,604	10,090,000	10,379,559	10,837,637	 Target met.
2.4	Quality transit and local connector buses annual boardings – including contracted school buses	49,106,444	49,700,000	50,233,293	51,196,688	 Target met.
2.5	Public transport subsidy per passenger kilometre	\$0.26	\$0.24	\$0.27	\$0.29	 High subsidy per passenger km due to RWC payout in Dec 2011

Ref	How we will demonstrate success in achieving it – <i>the performance measure</i>	Actual	Target	Actual	Actual	Comments		
		1 Jul 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Oct 2011 to 30 Sep 2011	1 Jan 2011 to 31 Dec 2011			
2.6	Percentage of public transport passengers with access to real time service information	73%	89%	73%	72%		Real time info will be extended to Rail and Ferry services this year. It is expected to meet the 89% target by end of the financial year.	
2.7	Percentage of public transport passengers satisfied with their public transport service	86%	87%	Annual measure	Annual measure			
<b>What we are seeking to achieve – <i>the impact</i></b>								
3. Effective infrastructure and services for walking, cycling and ride-sharing that help reduce car dependency								
<b>What we will do to achieve it – <i>the output(s)</i></b>								
<ul style="list-style-type: none"> <li>Schools, Tertiary Area, Work Travel Plans</li> </ul>								
<b>How will we know we are successful</b>								
Ref	How we will demonstrate success in achieving it – <i>the performance measure</i>	Actual	Target	Actual Q1	Actual Q2	Actual YTD	Comments	
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	1 Oct 2011 to 31 Dec 2011	1 Jul 2011 to 31 Dec 2011		
3.1	Increase number of travel plans	New measure	302 travel plans	Annual measure	Annual measure	Annual measure		
3.2	Morning peak (7-9am) car trips avoided through travel planning initiatives	8,417	8,800	Annual measure	Annual measure	Annual measure		

**What we are seeking to achieve – the impact**

4. Customer satisfaction with the infrastructure and services provided by Auckland Transport

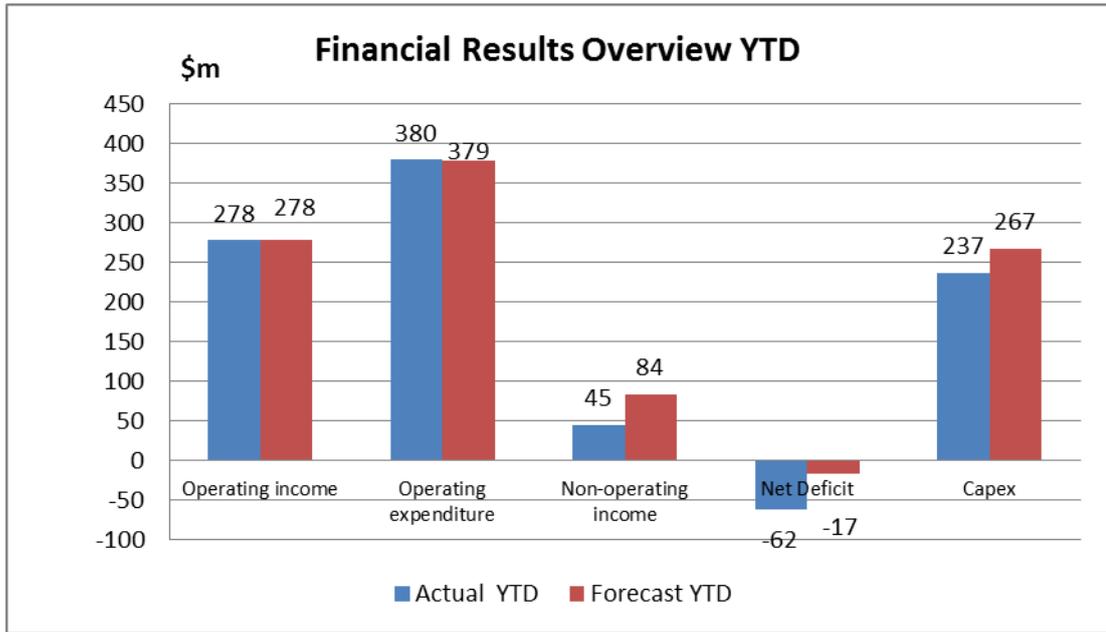
**What we will do to achieve it – the output(s)**

- All outputs listed above for impacts 1-3

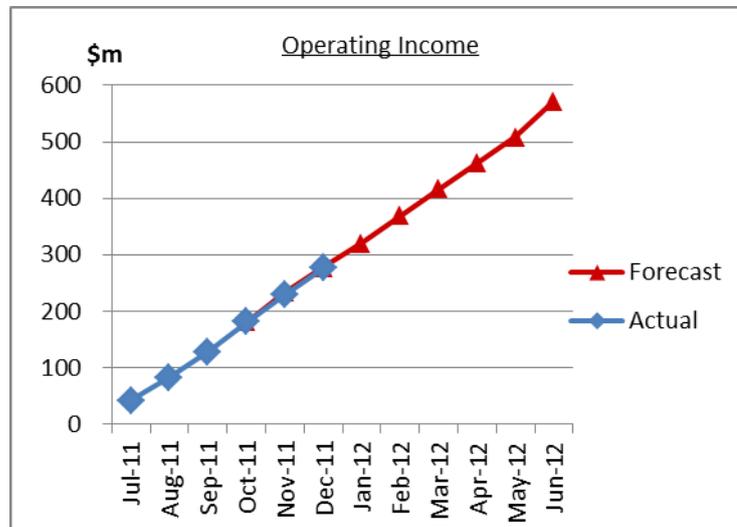
		How will we know we are successful						
Ref	How we will demonstrate success in achieving it – the performance measure	Actual 1 Nov 2010 to 30 Jun 2011	Target 1 Jul 2011 to 30 Jun 2012	Actual Q1 1 Jul 2011 to 30 Sep 2011	Actual Q2 1 Oct 2011 to 31 Dec 2011	Actual YTD 1 Jul 2011 to 31 Dec 2011	Comments	
4.1	Percentage of residents satisfied with the quality of roads in the Auckland Region	79%  Includes very satisfied (7%), satisfied (36%) & neutral (36%)	75%  Includes extremely satisfied, very satisfied or satisfied	Annual measure	Annual measure	Annual measure		
4.2	Percentage of residents satisfied with the surface for all sealed roads in the Auckland Region (excluding motorways)	80%  Includes very satisfied (8%), satisfied (37%) & neutral (35%)	75%  Includes extremely satisfied, very satisfied or satisfied	Annual measure	Annual measure	Annual measure		
4.3	Percentage of residents satisfied with the quality of footpaths in their local area	76%  Includes very satisfied (11%), satisfied (34%) & neutral (31%)	75%  Includes extremely satisfied, very satisfied or satisfied	Annual measure	Annual measure	Annual measure		
4.4	Percentage of residents satisfied with the quality of footpaths in the Auckland region	76%  Includes very satisfied (7%), satisfied (33%) & neutral (36%)	75%  Includes extremely satisfied, very satisfied or satisfied	Annual measure	Annual measure	Annual measure		

Ref	How we will demonstrate success in achieving it – <i>the performance measure</i>	Actual 1 Nov 2010 to 30 Jun 2011	Target 1 Jul 2011 to 30 Jun 2012	Actual Q1 1 Jul 2011 to 30 Sep 2011	Actual Q2 1 Oct 2011 to 31 Dec 2011	Actual YTD 1 Jul 2011 to 31 Dec 2011	Comments
4.5	Percentage of telephone calls to MAXX call centre answered within 20 seconds	79% of calls answered within 20 seconds	80% or better	78.5%	90.48%	84.19%	 Target met.  Q1 performance low due to unexpected call volumes during the RWC.
4.6	Percentage of drivers complying with parking restrictions	84%  Average of February and May 2011 compliance surveys: 4 centres	Maintain 2011 compliance levels	90%	84%  (average of Sep and Nov 2011 surveys)	87%	 Target met. Slight variance this quarter due to only 3 of the 7 areas being surveyed in September

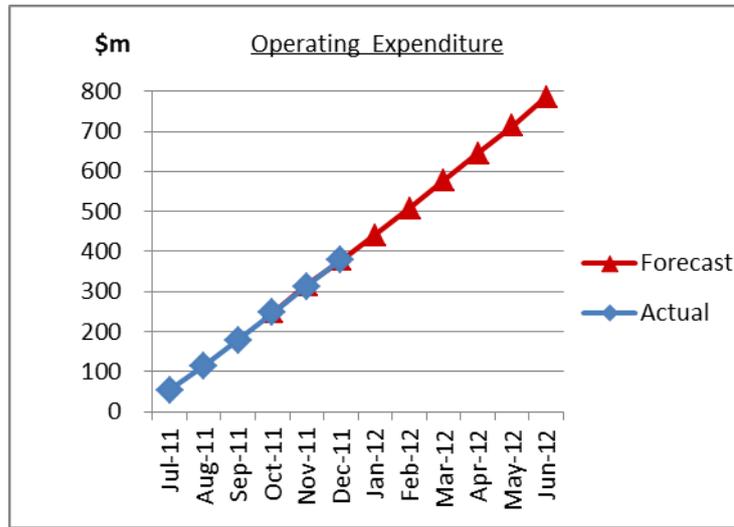
#### 4. FINANCIAL PERFORMANCE



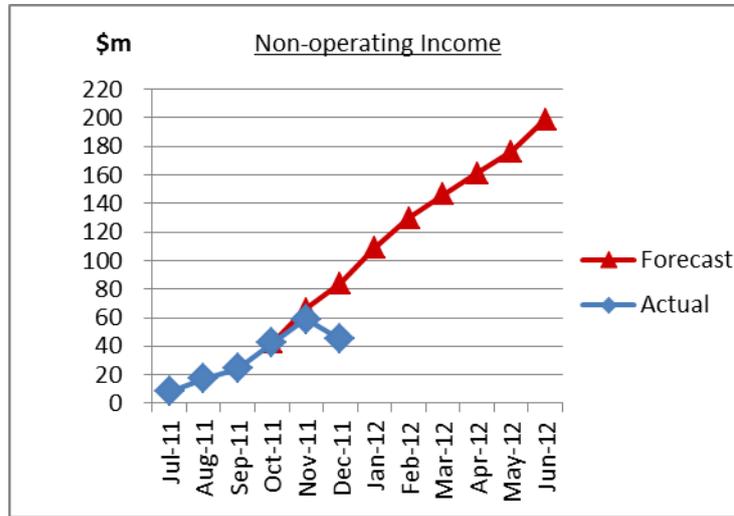
YTD net deficit after tax was \$61.8m which was \$44.7m unfavourable to forecast as shown in Appendix 1. This was due to operating income below forecast by \$0.2m, operating expenditure above forecast by \$1.0m, non-operating income below forecast by \$39.0m and unforecasted tax expense of \$4.5m.



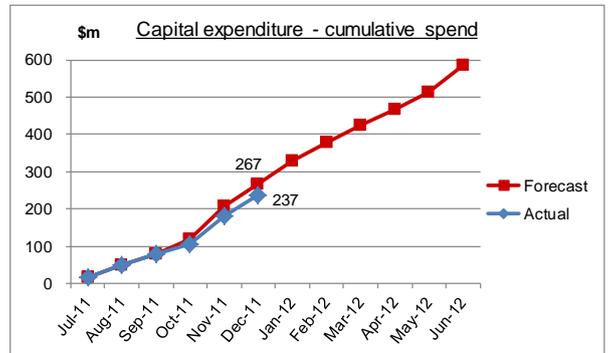
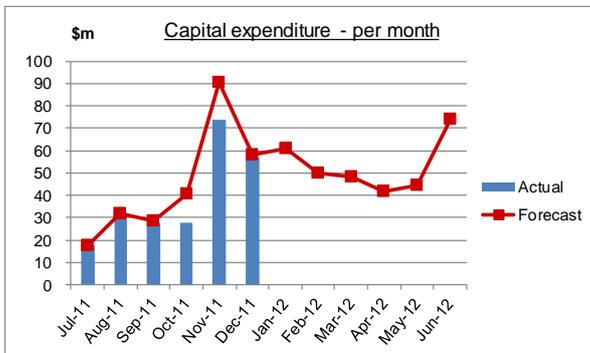
Operating income YTD was below forecast by \$0.2m



Operating expenditure YTD was above forecast by \$1.0m



Non-operating income YTD was below forecast by \$39.0m. It should be noted that AT has agreed with NZTA to a lower Funding Assistance Rate (FAR) for delivery of AT's local road renewals programme in the 2011/2012 financial year. This accounts for \$32m of the variance, and the balance is due to the timing of the capital programme.



YTD capital expenditure was \$237.0m which was \$30.2m below forecast. This was primarily due to underspends in various road capital and renewal projects.

The statement of financial performance, financial position and summary of key capital projects at 31 December 2011 are included in Appendix 1 to Appendix 3 of this report.

## **5. DEGREE OF ALIGNMENT**

Auckland Transport continues to ramp up stakeholder engagement in a number of fields. This effort is accelerating into 2012.

The Regional Land Transport Plan is being prepared for public consultation in parallel with the Long Term Plan, in accordance with the Special Consultative Procedure outlined in the Local Government Act 2002 and to a defined schedule as specified in the Land Transport Management Act. This is the largest formal engagement process Auckland Transport has undertaken and has been developed with the Council's Long Term Plan team and to a parallel delivery timetable.

Auckland Transport is now providing all Local Boards with quarterly updates on all transport matters occurring in each Local Board area. These quarterly reports are sent to the Board chairs immediately on completion and are formally received by the Local Boards upon their next Board meeting. The next quarterly report will be sent out in February and received at the March Local Board meetings.

Maori stakeholder engagement is being progressed with all the major construction projects, particularly AMETI and the Parnell Rail Station. Demand for this service is high.

Specific resource to ensure Auckland Transport is aware of all relevant Council Committees and processes was acquired in November and has, for example, enabled Auckland Transport to gain a clear sense of public reaction to the Auckland Plan by attending almost all Auckland Plan hearings.

Specific resource is also being applied to the City Rail Loop and Alternative Funding workstreams as part of planning for these projects.

Auckland Transport is closely engaged with NZTA both as funder and transport network operator. Auckland Transport also engages with the Auckland Policy Office fortnightly where all central government departments are represented.

## 6. OTHER MATTERS

### Future initiative and events:

February is Bikewise month, with the 15th anniversary of the 'Go by bike' breakfast scheduled across Auckland for Wednesday 15<sup>th</sup> of February. A new Summer Cycle Event Guide will be launching 1<sup>st</sup> of February with all the information about what's happening across the region concisely compiled.

AT will also be making progress on the design of new electric trains (EMU's) for Auckland this year, and Fletcher Construction will officially start work in January on the AMETI project, one of our biggest transport construction jobs, moving towards completion in 2014.

The final phase of a fully operational HOP card is planned to be thoroughly tested in the first half of this year, and in March the Manukau branch line and train station interchange will be opening – the first new train tracks built in Auckland since the 1930's. The Glenfield Road upgrade project will be moving into its 4<sup>th</sup> and final stage, with completion set for 2014.

The work place travel plan initiative will be getting a major relook mid-year with new resources becoming available for work places to improve their travel choices and in the later part of the year Auckland will be hosting the International Triathlon Championships, in October.

New Lynn will be seeing a number of projects progressing this year, including the major upgrade of Tiverton Rd and Wolverton St commencing, and the transformation of McCrae Way into a pedestrian-friendly shared space.

On the ferry terminal front, infrastructure development will be moving ahead with work on Bayswater, Stanley Bay, Birkenhead, Downtown and Half Moon Bay terminals, as well as moving forward with building new terminals at Beach Haven and Hobsonville.

Rail upgrades will be happening across the network this year to improve our facilities as well as in preparation for electrification, while also AT will be progressing with building a new train station at Parnell.

## Recommendation

It is recommended that the Auckland Transport Board:

- i). Receives this report
- ii). Approves this Half Year Report for submission to Auckland Council
- iii). Makes this report public after it has been received by Auckland Council.

## Attachments

**Attachment 1:** Statement of Financial Performance

**Attachment 2:** Statement of Financial Position

**Attachment 3:** Finance Summary of Key Capital Project

<p><b>WRITTEN BY</b></p>	<p>Harlem Cabuhat <b>Planning and Reporting Accountant</b></p> <p>Susan Cairns <b>Senior Financial Reporting Accountant</b></p>	 
<p><b>RECOMMENDED BY</b></p>	<p>Julian Michael <b>Financial Reporting Manager</b></p> <p>Stephen Smith <b>Finance Manager</b></p>	 
<p><b>APPROVED FOR SUBMISSION BY</b></p>	<p>Dave Foster <b>Chief Financial Officer</b></p> <p>David Warburton <b>Chief Executive</b></p>	 

## Statement of Financial Performance

for six months ending 31 December 2011

	Actual		Forecast		Variance		Actual	Forecast	Variance		Forecast	Budget
	Quarterly	Quarterly	Actual to Forecast	Quarterly	YTD	YTD			Actual to Forecast	YTD		
	\$000	\$000	\$000	%	\$000	\$000	\$000	%	\$000	\$000		
<b>Operating Income</b>												
Opex funding from Auckland Council	55,643	55,643	-	0%	111,287	111,287	-	0%	222,574	222,574		
Revenue from services	94,086	86,131	7,955	9%	166,151	166,594	(443)	0%	349,585	347,243		
Finance income	18	-	18	-	41	-	41	-	-	-		
Dividend Income	-	-	-	-	-	-	-	-	-	-		
Other gains/(losses)	215	-	215	-	215	-	215	-	-	-		
<b>Total operating income</b>	<b>149,962</b>	<b>141,774</b>	<b>8,188</b>	<b>6%</b>	<b>277,694</b>	<b>277,881</b>	<b>(187)</b>	<b>0%</b>	<b>572,159</b>	<b>569,817</b>		
<b>Operating Expenditure</b>												
	202,082	192,153	(9,929)	-5%	379,933	378,896	(1,037)	0%	786,650	792,779		
<b>Operating surplus/(deficit)</b>	<b>(52,120)</b>	<b>(50,379)</b>	<b>(1,741)</b>	<b>-3%</b>	<b>(102,239)</b>	<b>(101,015)</b>	<b>(1,224)</b>	<b>-1%</b>	<b>(214,491)</b>	<b>(222,962)</b>		
Taxation	4,452	-	(4,452)	-	4,452	-	(4,452)	-				
<b>Operating surplus/(deficit)</b>	<b>(56,572)</b>	<b>(50,379)</b>	<b>(6,193)</b>	<b>12%</b>	<b>(106,691)</b>	<b>(101,015)</b>	<b>(5,676)</b>	<b>6%</b>	<b>(214,491)</b>	<b>(222,962)</b>		
<b>Non-operating Income</b>												
Capex funding from Auckland Council	13,661	13,661	-	0%	27,321	27,321	-	0%	54,641	54,641		
Other revenue to fund capital expenditure	6,122	32,774	(26,652)	-81%	16,901	56,577	(39,676)	-70%	144,186	151,185		
Revenue from vested assets	658	-	658	-	658	-	658	-				
<b>Total non-operating income</b>	<b>20,441</b>	<b>46,435</b>	<b>(25,994)</b>	<b>-56%</b>	<b>44,880</b>	<b>83,898</b>	<b>(39,018)</b>	<b>-47%</b>	<b>198,827</b>	<b>205,826</b>		
<b>Total surplus/(deficit)</b>	<b>(36,131)</b>	<b>(3,944)</b>	<b>(32,187)</b>	<b>-816%</b>	<b>(61,811)</b>	<b>(17,117)</b>	<b>(44,694)</b>	<b>-261%</b>	<b>(15,664)</b>	<b>(17,136)</b>		

## Statement of Financial Position

As at 31 December 2011

	YTD Actual \$000	Full Year Budget \$000
<b>Assets</b>		
<b>Current assets</b>		
Debtors and other receivables	148,781	285,553
Cash and cash equivalent	5,369	2,285
Other current assets	6,903	19,629
<b>Total current assets</b>	<b>161,053</b>	<b>307,467</b>
Property plant and equipment	13,060,414	13,248,225
Intangible assets	28,371	25,344
Investment property	-	-
Other non current assets	-	-
<b>Total non- current assets</b>	<b>13,088,785</b>	<b>13,273,569</b>
<b>Total assets</b>	<b>13,249,838</b>	<b>13,581,036</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Creditors and other payables	144,655	252,310
Borrow ings	190	-
Other current liabilities	7,031	8,000
Derivative financial instruments	3,779	2,561
<b>Total current liabilities</b>	<b>155,655</b>	<b>262,871</b>
<b>Non-current liabilities</b>		
Borrow ing from parent	40,318	-
Other borrow ing	-	-
Other non-current liabilities	136,330	14,775
Derivative financial instruments	29,277	-
<b>Total non-current liabilities</b>	<b>205,925</b>	<b>14,775</b>
<b>Total liabilities</b>	<b>361,580</b>	<b>277,646</b>
<b>Net assets</b>	<b>12,888,258</b>	<b>13,303,390</b>
<b>Equity</b>		
Contributed equity	12,068,982	12,409,356
Reserves	920,550	950,633
Retained earnings	(101,274)	(56,599)
<b>Total equity</b>	<b>12,888,258</b>	<b>13,303,390</b>

## Finance Summary of Key Capital Project

As at 31 December 2011

Capital Project Name	Actual	Forecast	Variance		Forecast
			Actual to Forecast	Forecast	
\$000	YTD	YTD	\$000	%	Full Year
South Western Airport Multi-modal project	-	-	-	0%	2,000
WCC Road Reconstruction	3,286	2,068	(1,218)	-59%	2,068
NSCC Taharoto/Wairau corridor - construc	162	162	-	0%	2,099
Ferry Terminal Upgrades - Birkenhead	8	205	197	96%	2,105
New Lynn TOD canopies	63	70	7	10%	2,198
WCC Footpath Renewals	1,390	1,006	(384)	-38%	2,222
HGI Wharves Development (Tryphena)	135	129	(6)	-5%	2,271
FDC Area Wide Pavement Treatment(AWPT)	641	1,074	433	40%	2,279
Ferry Terminal Upgrade DT Pier 1C	332	266	(66)	-25%	2,316
Mt Albert Train Station Upgrade	10	98	88	90%	2,317
NORSGA PC 13 Hobsonville Point	16	471	455	97%	2,522
PT Ferry Terminal Renewals	171	545	374	69%	2,525
Ferry Terminal Upgrade - Bayswater	9	61	52	85%	2,573
RDC General slip repairs R&T	814	769	(45)	-6%	2,781
PT Bus Stop Improvements	793	910	117	13%	2,805
JTOC - Traffic Signals renewals	683	1,197	514	43%	2,851
ACC Street lights renewals	1,659	1,197	(462)	-39%	2,866
Porchester Road - Walters to Airfiel	1,114	967	(147)	-15%	2,877
NSCC Maintenance Chip Seals Renewal	619	1,094	475	43%	2,895
NSCC Footpath Renewals	2,069	1,917	(152)	-8%	2,909
Tiverton-Wolverton Stage 2	963	603	(360)	-60%	2,919
NSCC Thin Asphaltic Surfacing Renewal	2,771	2,443	(328)	-13%	2,999
WCC Te Atatu Rd : Corridor Improvements	287	262	(25)	-10%	3,049
PDC Annual Pavement Reconstruction Progr	1,146	1,055	(91)	-9%	3,053
Flat Bush School Rd Upgrade - STAGE 2	473	453	(20)	-4%	3,105
Whangaparaoa Rd Four Laning	199	257	58	23%	3,134
Online Programme	951	1,497	546	36%	3,139
MCC Footpath Renewals	1,801	2,047	246	12%	3,139
FDC Asphaltic Concrete	1,488	1,173	(315)	-27%	3,208
New Lynn TOD MCCrae Way	93	82	(11)	-13%	3,315
WCC Footpath Construction	2,277	2,585	308	12%	3,319
Distributed Stabling -Detailed DES	3,241	2,779	(462)	-17%	3,419
MCC Chip Seal	2,181	2,581	400	15%	3,458
Ferry Terminal Upgrade - Hobsonville	74	64	(10)	-16%	3,479
Smales Allens Rd Widening & I/SCTN	328	1,037	709	68%	3,493
NSCC Major Rehabilitation Renewals	2,238	1,837	(401)	-22%	3,615
MCC Pavement Reconstruction	29	2,492	2,463	99%	3,682
New Lynn TOD Stage 5 Great North Road	288	330	42	13%	4,386

## Finance Summary of Key Capital Project continued

As at 31 December 2011

Capital Project Name	Actual	Forecast	Variance		Forecast
			Actual to Forecast	Forecast	
\$000	YTD	YTD	\$000	%	Full Year
ACC Pavements	2,365	2,276	(89)	-4%	4,562
ACC Structures	1,584	1,946	362	19%	4,614
NSCC Albany Park and Ride Extension	165	367	202	55%	4,715
NSCC Glenfield Road (Bentley to Sunset)	419	453	34	8%	4,803
Dominion Road Corridor Upgrade	938	1,472	534	36%	5,000
NORSGA PC14 Hobsonville Village	735	501	(234)	-47%	5,074
Neilson St T2 Truck Lane	1,863	2,007	144	7%	5,635
MCC Asphaltic Concrete	3,361	3,341	(20)	-1%	6,307
Manukau City Rail Link	2,368	2,430	62	3%	6,435
RDC Area-wide pavement treatment (AWPT)	3,061	2,808	(253)	-9%	6,587
Rail Bridge Improvements (KiwiRail)	569	1,388	819	59%	6,728
New Lynn TOD STAGE 2 AND 3	5,171	5,874	703	12%	6,743
PT Real Time Passenger Information Sys	3,595	3,940	345	9%	6,886
NSCC Busway - Westlake Station Land	-	62	62	100%	6,995
Waiouru Peninsular to Highbrook	51	45	(6)	-13%	7,045
Safety around schools	1,155	1,542	387	25%	8,000
MCC Area Wide Pavement Treatment (AWPT)	1,534	3,670	2,136	58%	8,273
PT Capex Renewals (Rolling Stock)	160	912	752	82%	8,789
RDC Park and Ride Silverdale	231	1,517	1,286	85%	9,085
ACC Drainage	6,250	6,312	62	1%	9,464
NSCC Albany Highway Upgrade	1,688	2,243	555	25%	10,107
Parnell Train Station	3,395	494	(2,901)	-587%	10,500
Davies Ave Carpark Building - Manukau	5,748	5,169	(579)	-11%	13,338
Safety and minor improvement	3,896	4,198	302	7%	14,013
ACC Road resurfacing	6,059	9,000	2,941	33%	14,963
ACC Road bases	3,407	5,745	2,338	41%	16,426
AIFS Project Management	4,078	5,659	1,581	28%	18,893
WCC Sealed Road Renewals	9,988	8,296	(1,692)	-20%	19,344
ACC Footpaths renewals	12,467	12,492	25	0%	20,681
EMU Depot	14,475	13,028	(1,447)	-11%	23,706
NORSGA PC 15 Massey North T/C	9,046	14,190	5,144	36%	25,598
AMETI - Land (Wider project)	3,111	21,327	18,216	85%	26,052
AMETI -Package 1 Panmure Corridor	10,387	6,984	(3,403)	-49%	35,471
EMU Procurement	32,653	21,559	(11,094)	-51%	63,627
Capex overprogramming					(120,817)
<b>Total project &gt; \$2m or of high interest</b>	<b>190,775</b>	<b>211,030</b>	<b>20,255</b>	<b>10%</b>	<b>433,032</b>
<b>Total other project &lt; \$2m</b>	<b>46,238</b>	<b>56,195</b>	<b>9,957</b>	<b>18%</b>	<b>153,290</b>
<b>Total capital expenditure</b>	<b>237,013</b>	<b>267,225</b>	<b>30,212</b>	<b>11%</b>	<b>586,322</b>

Abbreviations used in this report:

AC = Auckland Council

AT= Auckland Transport

POA = Programme of Action

NZTA = New Zealand Transport Agency

YTD = Year To Date

SH = State Highway

CBD = Central Business District

FY = 12 month financial period, from 1 July 2011 to 30 June 2012