

# Auckland Transport - Quarterly Report to Auckland Council

For the quarter ended 30 September 2011

## Executive Summary

The Local Government (Auckland Council) Act 2009 Section 91 requires Auckland Transport to deliver to Auckland Council, no later than one month after the end of the first quarter of each financial year, a report on the organisation's operations during each quarter that includes information required to be included by its Statement of Intent (SOI). The report presented here is for the period 1 July 2011 to 30 September 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

## 1) Programme of Action

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 has been developed from the key strategic projects outlined in Auckland Council's draft Annual Plan 2011/2012 and the strategic priorities identified by the Mayor in the Letter of Expectation to Auckland Transport dated 15 February 2011. Key milestones have been included for projects, where applicable.

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:

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

Ref/POA	Project	Progress to 30 September 2011
<b>1. Major road construction</b>		
1.1	Auckland-Manukau Eastern Transport Initiative (AMETI) project	<ul style="list-style-type: none"> <li>• The contract has been let to construct a new bridge over the rail line at Mountain Road, Panmure.</li> <li>• Preliminary design for the main Panmure works has been completed.</li> <li>• Scoping study for corridor from Panmure to Botany completed.</li> </ul>
1.2	New roading connections and improvements associated with the New Lynn rail trenching and transport interchange	<ul style="list-style-type: none"> <li>• The Clark Street extension, including a new bridge over the rail line has been completed.</li> <li>• The shared space development on Totara Avenue has been completed.</li> </ul>
1.3	Roading projects in new development areas, especially Flat Bush, East Tamaki, Long Bay and Pukekohe	<ul style="list-style-type: none"> <li>• Flat Bush School Road upgrading Stage 3 scheme assessment underway.</li> <li>• Murphy's Road upgrade – Murphy's Bush (North of Thomas Road to Flat Bush School Road) – preliminary design completed.</li> <li>• Chapel Road Realignment and Bridge/Ormiston Road to Stancombe Road – scheme assessment report completed, transport planning and hydraulic issues being resolved.</li> <li>• Ormiston Road – North side widening Ti Irirangi Drive to Chapel Road – detailed design completed. Finalising consents and land acquisition issues. Ormiston/Preston and Smales/Allens intersections are subject to property purchases.</li> <li>• Mill Road corridor study (Manukau section) scheme assessment under way. Papakura section corridor management plan completed.</li> <li>• Flat Bush to Manukau City Centre roading upgrades including key bus-link from Flat Bush to Manukau Station. Scheme assessment report to be tendered 2011.</li> </ul>
1.4	Local road improvements associated with major NZ Transport Agency projects, including SH20 Waterview and SH16 upgrades	<ul style="list-style-type: none"> <li>• Hobsonville Road detailed design under way.</li> <li>• Lincoln Road preliminary design tender awarded.</li> <li>• Te Atatu Road detailed design underway.</li> <li>• Tiverton to Wolverton work with utility companies regarding service relocation is under way; construction methodology under discussion.</li> <li>• Hollyford to Ronwood corridor study scheme assessment report completed and progressing to detailed design.</li> </ul>
1.5	Completion of roading projects to ensure the success of Rugby World Cup 2011 (RWC), for example the Sandringham Road	<ul style="list-style-type: none"> <li>• The upgrade worksite footpaths, resheeting of roads etc around Eden Park were completed in July 2011.</li> </ul>

Ref/POA	Project	Progress to 30 September 2011
	realignment	
<b>2. Major schemes proposed for study, investigation or design</b>		
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.	<ul style="list-style-type: none"> <li>• Concept design and business case update completed.</li> <li>• Work beginning on route designation.</li> </ul>
2.2	Rail Rapid Transit link to the Airport – investigation and route protection	<ul style="list-style-type: none"> <li>• AT and AC approved Phase 1 conclusion – identification of preferred option.</li> <li>• Remaining project partners to approve Phase 1.</li> </ul>
2.3	Rail to the North Shore	<ul style="list-style-type: none"> <li>• AC undertaking an investigation into the land use preconditions for rapid transit. This will be the basis for future work into the identification of corridors.</li> </ul>
2.4	A walking/cycling bridge under the Auckland Harbour Bridge	<ul style="list-style-type: none"> <li>• AT will take over an investigation from NZTA into a proposed walking and cycling facility attached to the Auckland Harbour Bridge.</li> <li>• NZTA will complete a structural feasibility in November at which time AT will take over and complete the investigation.</li> <li>• Funding options and implementation programme will be investigated and brought back to Auckland Council for consideration.</li> <li>• Allowance will be made in the LTP for investigation, design and construction phases for this project as a transformational project.</li> <li>•</li> </ul>
2.5	Dominion Road Review	<ul style="list-style-type: none"> <li>• The strategic intent for the upgrade of Dominion Road has been endorsed by both AT and the AC transport committee.</li> <li>• Work is continuing on concept design in conjunction with the local boards and other stakeholders.</li> </ul>
2.6	Removal of rail level crossings	<ul style="list-style-type: none"> <li>• Level crossings for removal have been prioritised. Programming of investigations being initiated.</li> </ul>
2.7	Albany Highway Corridor upgrade	<ul style="list-style-type: none"> <li>• Preliminary Design nearing completion, safety audit planned. MoU signed with North Shore Golf Club with a view to establishing a stormwater pond on the course. Discussions with Massey University well advanced on western precinct service relocation and entrance. Two properties left to acquire. Detailed design on target for completion in December 2011.</li> </ul>
2.8	Improved accessibility to the waterfront and city centre	<ul style="list-style-type: none"> <li>• Wynyard Quarter opens to public including tourist tram circuit delivered by the Waterfront Development Agency.</li> <li>• The new flagship CBD bus services have been implemented.</li> </ul>
2.9	School, Tertiary, Area, and Workplace Travel Plans	<ul style="list-style-type: none"> <li>• Travel and safety surveys for the schools completed for all schools participating in road safety and travel planning initiatives. Draft travel plan documentation and initial engineering safety investigations have commenced and progressing to consultation.</li> <li>• Annual school travel plan seminar in August with over 310 school participants representing 85 schools, to share road safety, travel planning and cycle and walking projects and initiatives.</li> <li>• Sovereign and Auckland Central Police Station joined the workplace programme with travels surveys proposed for the next quarter.</li> <li>• Workplace travel plan launched at Middlemore Hospital.</li> </ul>

Ref/POA	Project	Progress to 30 September 2011
		<ul style="list-style-type: none"> <li>Massey University joined the tertiary travel plan programme and have completed student and employee travel and safety surveys.</li> <li>Wynyard Quarter Transport Management Association established.</li> </ul>
2.10	Henderson – Albany Rapid Transit Network study	<ul style="list-style-type: none"> <li>Work has commenced with NZTA to prepare a scope to undertake the work.</li> </ul>
2.11	Development of a new rail station at Parnell	<ul style="list-style-type: none"> <li>Requirements for the rail realignment to suit the Parnell Station have been defined, to enable the track work to be complete over the Block of Line at Christmas 2011.</li> </ul>
<b>3. Council-proposed schemes for study, investigation or design</b>		
3.1	Review of ferry services	<ul style="list-style-type: none"> <li>Use of enhanced service during RWC being monitored to contribute to future service review.</li> </ul>
3.2	Better identification of bus lanes	<ul style="list-style-type: none"> <li>The Bus Lane Review has now been completed. This review included the development of standards for better marking and identification of Bus Lanes across the Region. It is now planned to trial these standards by applying the new markings and signage to four existing Bus Lanes in the last quarter of this year (March to June 2012). An assessment will then be undertaken to ascertain their effectiveness, following which the standards will be finalised for application across the Region in subsequent years. In addition, Grafton Bridge has been treated as a special case requiring attention. To this end a number of options have been developed which are being evaluated for a decision and final implementation early next year. All of the options being considered will involve extensive use of electronic Variable Message Signage.</li> </ul>
3.3	Restoration of the rail station at Tamaki	<ul style="list-style-type: none"> <li>Work with Council project team progressing scope for rail impact analysis under development.</li> </ul>
3.4	Moving more buses faster at peak times through implementing substantially more bus and transit lanes	<ul style="list-style-type: none"> <li>Bus and transit guidelines completed. Steering Group established and review of key corridors commenced.</li> </ul>
3.5	Collaboration on combatting graffiti vandalism	<ul style="list-style-type: none"> <li>Auckland Transport intends to work with AC on initiatives to combat graffiti vandalism.</li> </ul>
3.6	Review of public transport, particularly in the southern sector covered by the Mangere-Otahuhu, Otara-Papatoetoe and Manurewa local board areas.	<ul style="list-style-type: none"> <li>Review of South Auckland bus services to be carried out over three years, beginning with Phase 1 of changes to Great South Rd services in 2011/12. Bus service between Airport, Mangere and Onehunga may be introduced in 2012/13, subject to availability of additional funding.</li> </ul>

<b>4. Major public transport projects</b>		
4.1	Integrated fares and ticketing for use on public transport services across the region	<ul style="list-style-type: none"> <li>The integrated ticketing programme continues to run to plan. The RWC inspired 'APASS' was successfully launched on 1<sup>st</sup> September and in excess of 1,000 passes have been sold to date. This represents a significant milestone in the AIFS programme, as this is the first time that we have a multi-modal smartcard operating in Auckland.</li> <li>With 'APASS' now live, the focus of the programme team is now on preparatory activity for the next stages of the programme; Limited Functionality Pilot commencing on February 2012 and CORE system rollout from mid 2012. In parallel with this activity, discussions are progressing with the second supplier of bus equipment, Parkeon. Negotiations with Parkeon and a consortium of bus operators are progressing well and are expected to be finalised shortly.</li> <li>Public support for HOP on NZBus has grown again in the past month, with active users of the HOP smartcard rising from 77,000 last month to 88,000 this month.</li> </ul>
4.2	Extension of the real time public information system	<ul style="list-style-type: none"> <li>Critical rail station real-time signs implemented prior to Rugby World Cup, showing train schedule times.</li> <li>Installation programme under way to fit real-time signs to refurbished rail stations.</li> <li>Specification and pilot completed for signs at low capacity bus stops, rollout of these solar-powered signs commenced.</li> <li>Live departure board now available via iPhone and Android phone applications to provide real-time information on smartphones.</li> </ul>
4.3	Completion of the Manukau rail station and bus interchange	<ul style="list-style-type: none"> <li>The rail station is substantially complete and the first test train has entered the station. It will be open to the public in February 2012 with a temporary entrance while the combined MIT/Station building is constructed.</li> <li>Final design for the bus interchange will be completed in December 2012.</li> <li>The contract for the piling for the combined MIT/Station building has been awarded.</li> </ul>
4.4	Further implementation of the New Lynn Transport Oriented Development, including transport centre and interchange	<ul style="list-style-type: none"> <li>Development of McCrae Way is progressing with a shortlist finalised for contractors to tender for the construction.</li> </ul>
<b>5. Coordination with other agencies on significant transport projects</b>		
5.1	Work with KiwiRail to ensure the successful electrification of Auckland's rail network and delivery of electric trains	<ul style="list-style-type: none"> <li>Contract for EMUs awarded</li> <li>RMTU consultation progressing with regards to cab fit-out</li> <li>Wiri Depot design being finalised</li> <li>Mast installation continuing by KiwiRail in accordance with plan</li> <li>Installation of earth wires between Sturges Rd and Swanson to commence immediately post-RWC</li> <li>Signalling commissioning milestones: Morningside to Swanson, Christmas 2011; Wiri to Papakura, Anniversary Weekend 2012; Papakura, Easter 2012</li> </ul>
5.2	Work with NZTA on the investigation and route protection for an additional Waitemata Harbour crossing, including rail	<ul style="list-style-type: none"> <li>NZTA has released detailed reports on work done to date. Consultation on the bridge versus tunnel options is being undertaken as part of the Auckland Plan.</li> </ul>

5.3	Work with NZTA to develop and manage the State highways and regional arterial road system as one network	<ul style="list-style-type: none"> <li>• The Joint Transport Operations Centre (JTOC) has now been established with effect from July 2011. JTOC operates the network on the basis of the partnering charter signed by both the NZTA and the AT Boards in March 2011 and now supported by a detailed Partnering Agreement that establishes the governance structure and the working relationships between JTOC and the two governance partners.</li> <li>• JTOC's Joint Management Board has agreed an organisation structure and JTOC, working with both AT and NZTA's human resources teams, is in the process of recruiting additional staff to meet the agreed service levels for the total network.</li> </ul>
<b>6. Regional Land Transport programme</b>		
6.1	Auckland Transport will also prepare the Regional Land Transport Programme for Auckland in accordance with the Land Transport Management Act 2003.	<ul style="list-style-type: none"> <li>• Progress was made towards the preparation of the Draft Regional Land Transport Programme, including liaison with AC's Long Term Plan team to ensure alignment between the two documents.</li> </ul>

## 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 section 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 September 2011 results are available and 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 good 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>• Roothing 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 1 Jul 2011 to 30 Sep 2011	Comments
1.1	Travel times along strategically important arterial routes during morning peak hour <ul style="list-style-type: none"> <li>• Airport to CBD via Manukau Rd</li> <li>• CBD to Airport via Manukau Rd</li> </ul>	November 2010 - 85% of trips within these travel times (minutes)  41  41	85% of trips within these travel times (minutes)  41  41	47  35	RWC has had an impact for this

Ref	How we will demonstrate success in achieving it – the performance measure	Actual	Target	Actual	Comments
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	
	<ul style="list-style-type: none"> <li>St Lukes to St Johns via St Lukes Rd/ Greenlane/ Remuera Rd</li> <li>St Johns to St Lukes via Remuera Rd/ Greenlane/ St Lukes Rd</li> <li>Albany to Birkenhead via Glenfield Rd</li> <li>Birkenhead to Albany via Glenfield Rd</li> <li>Henderson to CBD via Gt North Rd</li> <li>CBD to Henderson via Gt North Rd</li> </ul>	41	41	44	
		58	58	56	
		34	34	32	
		26	26	26	
		50	50	54	Roadworks at New Lynn have impacted on this result
		38	38	43	Roadworks at New Lynn have impacted on this result
1.2	Travel times along strategically important freight routes during the inter-peak period (9am-4pm)	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>From SH 20 to SH 1 via Nielson St</li> <li>From SH 1 to SH 20 via Nielson St</li> <li>From Sylvia Park to East Tamaki via South-eastern arterial</li> <li>From East Tamaki to Sylvia Park via South-easter arterial</li> <li>From SH 1 to SH 18 via Wairau Rd</li> <li>From SH 18 to SH 1 via Wairau Rd</li> <li>From East Tamaki to SH 1 Highbrook interchange via Harris Rd</li> <li>From SH 1 Highbrook interchange to East Tamaki via Harris Rd</li> </ul>	16	16	16	
		13	13	15	
		11	11	10	
		12	12	10	
		8	8	8	
		8	8	8	
		10	10	10	
		11	11	10	



Ref	How we will demonstrate success in achieving it – the performance measure	Actual	Target	Actual	Comments
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	
1.3	Proportion of arterial road network for which real time travel or congestion information available	New measure	8% by June 2012	6%	
1.4	Proportion of arterial road network with signal optimisation in place	New measure	10% by June 2012	3%	
<b>What we are seeking to achieve – the impact</b>					
2. An integrated and connected public transport network of rapid, high-quality and local connector services that is attractive to customers					
<b>What we will do to achieve it – the output(s)</b>					
<ul style="list-style-type: none"> <li>• Integrated fares and ticketing</li> <li>• Extension of real time public information system</li> <li>• Completion of the Manukau rail station and bus interchange</li> <li>• Schools, Tertiary Area, Work Travel Plans</li> <li>• Further implementation of the New Lynn Transport Oriented Development</li> <li>• Work with KiwiRail to ensure the successful electrification of Auckland's rail network and delivery of electric trains</li> </ul>					
		<b>How will we know we are successful</b>			
Ref	How we will demonstrate success in achieving it – the performance measure	Actual	Target	Actual	Comments
		1 Jul 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Oct 2010 to 30 Sep 2011	
2.1	Total public transport patronage - annual boardings for bus, rail and ferry	65,763,655	66,725,000	67,682,156	
2.2	Rapid transit busway annual boardings	2,056,890	2,160,000	2,153,830	
2.3	Rapid transit rail annual boardings	9,864,604	10,090,000	10,379,559	
2.4	Quality transit and local connector buses annual boardings – including contracted school buses	49,106,444	49,700,000	50,233,293	
2.5	Public transport subsidy per passenger kilometre	\$0.26	\$0.24	\$0.27	

Ref	How we will demonstrate success in achieving it – <i>the performance measure</i>	Actual	Target	Actual	Comments
		1 Jul 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Oct 2010 to 30 Sep 2011	
2.6	Percentage of public transport passengers with access to real time service information	73%	89%	73%	
2.7	Percentage of public transport passengers satisfied with their public transport service	86%	87%	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	Comments
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	
3.1	Increase number of travel plans	New measure	302 travel plans	Annual measure	
3.2	Morning peak (7-9am) car trips avoided through travel planning initiatives	8,417	8,800	Annual measure	

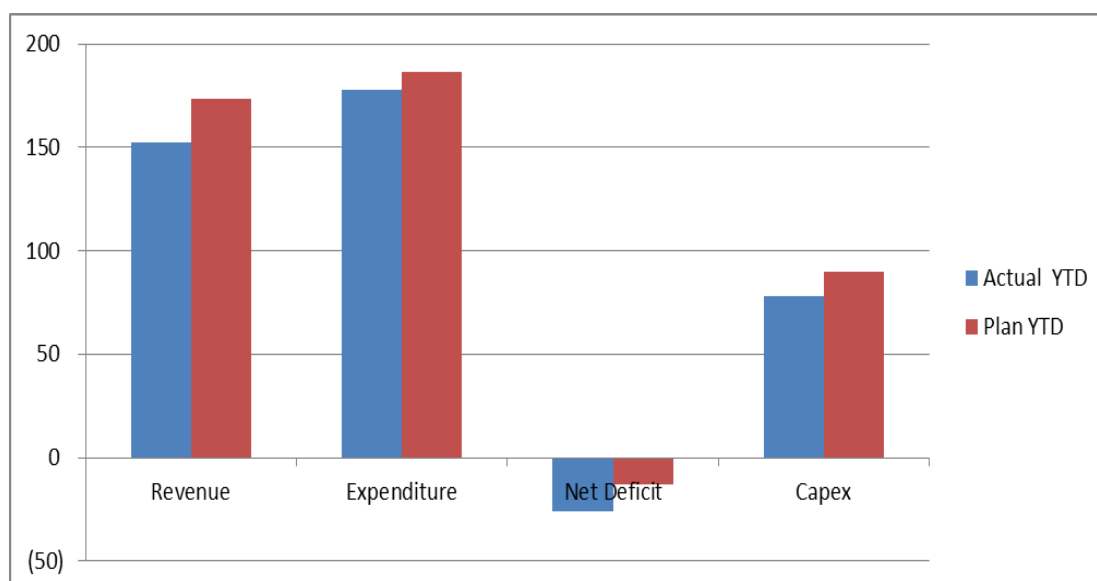
<b>What we are seeking to achieve – <i>the impact</i></b>					
4. Customer satisfaction with the infrastructure and services provided by Auckland Transport					
<b>What we will do to achieve it – <i>the output(s)</i></b>					
<ul style="list-style-type: none"> <li>All outputs listed above for impacts 1-3</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	Comments
		1 Nov 2010 to 30 Jun 2011	1 Jul 2011 to 30 Jun 2012	1 Jul 2011 to 30 Sep 2011	
4.1	Percentage of residents satisfied with the quality of roads in the Auckland Region	79%	75%	Annual measure	
		Includes very satisfied (7%), satisfied (36%) & neutral (36%)	Includes extremely satisfied, very satisfied or satisfied		
4.2	Percentage of residents satisfied with the surface for all sealed roads in the Auckland	80%	75%	Annual measure	
		Includes very satisfied (8%),	Includes extremely satisfied, very		

	Region (excluding motorways)	satisfied (37%) & neutral (35%)	satisfied or satisfied		
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	
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	
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%	See Note 1 below
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%	

**Note 1** – Service level was met in July (82.56%) and August (82.45%). However, due to unexpected call volumes on 8 and 9 September (relating to the opening ceremony of Rugby World Cup and public transport issues), this service level was not met in September (72.46%). This has impacted the overall service level for the quarter.

### 3) Financial Performance

#### Financial Results Overview

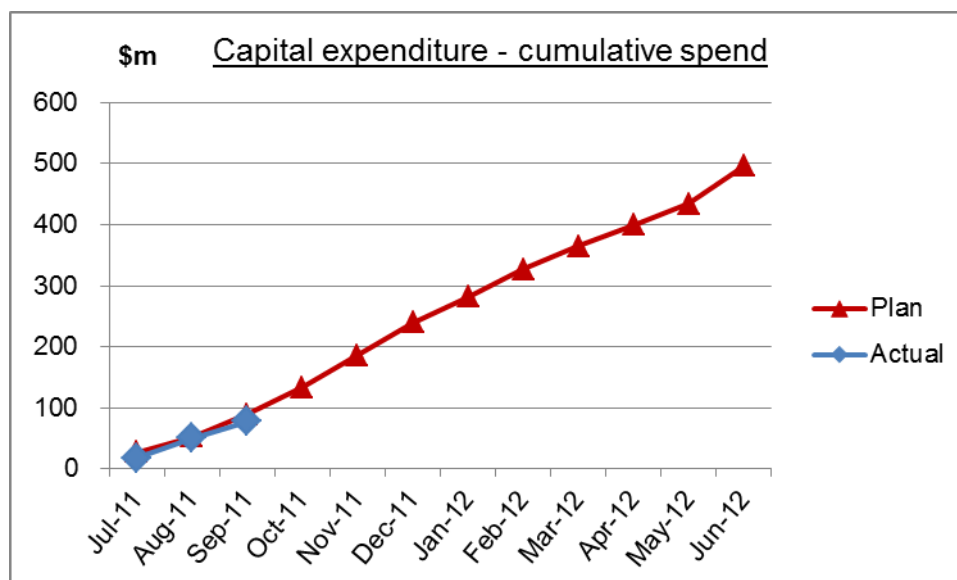


Net surplus (excluding depreciation) was \$27.7m as shown on Attachment 1.

Net deficit after depreciation was \$25.7m which was \$12.5m unfavourable to plan. This was mainly due to revenue being below plan by \$21.4m and expenditure being below plan by \$8.9m.

Income was below plan by \$21.4m unfavourable mainly due to reduced New Zealand Transport Agency (NZTA) operational and renewal subsidies. AT and NZTA have agreed that AT will forego claims for August and September 2011 maintenance and renewal subsidies. AT and NZTA are currently concluding an agreement that will enable AT to claim back any subsidy shortfalls in future years.

YTD operational expenditure was below plan by \$8.9m favourable mainly due to reduced office, administration, maintenance, and professional services costs.



YTD capital expenditure was \$78.2m which was \$11.4m below plan. The original full year planned expenditure was \$546.2m, however, following a review of portfolio risk and funding availability, the capital fiscal envelope has been revised to \$496.2m for 2011/12. Capital projects will be re-prioritised as part of the Quarter One re-forecast process and will be presented to the November Auckland Transport Board meeting for review and approval.

The statement of financial position, statement of movements in equity, statement of cashflows at 30 September 2011 are included in Attachment 1 to Attachment 5 of this report.

## Recommendation

It is recommended that the Auckland Transport Board:

- i). Receives this report
- ii). Approves this Quarterly 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 for the three months to 30 September 2011

**Attachment 2:** Statement of Financial Position as at 30 September 2011

**Attachment 3:** Statement of Movement in Equity for the three months to 30 September 2011

**Attachment 4:** Statement of Cash Flow for the three months to 30 September 2011

**Attachment 5:** Summary of capital expenditure for the three months to 30 September 2011

<p><b>WRITTEN BY</b></p>	<p>Harlem Cabuhat <b>Planning and Reporting Accountant</b></p> <p>Susan Cairns <b>Financial 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>David Warburton <b>Chief Executive</b></p>	

**Statement of Financial Performance for the three months to 30 September 2011**  
 (provided in Auckland Council requested reporting format)

For three months to 30 September FY2012	September	September	Variance		Full Year
	Actuals	Plan	Actuals to plan		Plan
	YTD	YTD			
	\$000	\$000	\$000	%	\$000
Operating expenditure	177,851	186,743	8,892	5%	792,779
Depreciation	53,408	55,741	2,333	4%	222,962
<b>Operating expenditure less depreciation</b>	<b>124,443</b>	<b>131,002</b>	<b>6,559</b>	5%	<b>569,817</b>
Revenue from activities (e.g. user charge)	32,966	32,686	280	1%	133,257
Revenue from interest, royalties, dividends	23	59	(36)	-61%	-
NZTA income	47,650	70,409	(22,759)	-32%	357,242
Other revenue (including vested assets)	2,228	1,112	1,116	100%	7,929
Council funding	69,304	69,304	-	-	277,215
<b>Total revenue</b>	<b>152,171</b>	<b>173,570</b>	<b>(21,399)</b>	-12%	<b>775,643</b>
<b>Net surplus/(deficit) before depreciation</b>	<b>27,728</b>	<b>42,568</b>	<b>(14,840)</b>		<b>205,826</b>
Depreciation	53,408	55,741	2,333		222,962
<b>Net surplus/(deficit) after depreciation</b>	<b>(25,680)</b>	<b>(13,173)</b>	<b>(12,507)</b>		<b>(17,136)</b>

**Statement of Financial Position as at 30 September 2011**  
(provided in Auckland Council requested reporting format)

As at 30 September FY2012	Sept	Sept	Variance		Full Year
	Actuals	Plan	Actuals to plan		Plan
	\$000	\$000	\$000	%	\$000
<b>ASSETS</b>					
<b>Current Assets</b>					
Trade and other receivables	157,152	160,000	(2,848)	-2%	182,011
Inventories	5,371	6,000	(629)	-10%	6,000
Cash and cash equivalents	1,984	2,459	(475)	-19%	4,035
Asset held in trust for NZTA	13,146	13,146	-	0%	13,146
<b>Total Current Assets</b>	<b>177,653</b>	<b>181,605</b>	<b>(3,952)</b>	<b>-2%</b>	<b>205,192</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	12,950,328	12,961,775	(11,447)	0%	13,236,708
Intangible assets	26,369	26,113	256	1%	25,344
<b>Total Non-Current Assets</b>	<b>12,976,697</b>	<b>12,987,888</b>	<b>(11,191)</b>	<b>0%</b>	<b>13,262,052</b>
<b>Total Assets</b>	<b>13,154,350</b>	<b>13,169,493</b>	<b>(15,143)</b>	<b>0%</b>	<b>13,467,244</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	120,569	125,000	4,431	4%	138,518
<b>Total Current Liabilities</b>	<b>130,907</b>	<b>135,561</b>	<b>4,654</b>	<b>3%</b>	<b>149,079</b>
<b>Non-Current Liabilities</b>					
<b>Total Non-Current Liabilities</b>	<b>15,216</b>	<b>14,775</b>	<b>(441)</b>	<b>-3%</b>	<b>14,775</b>
<b>Total Liabilities</b>	<b>146,123</b>	<b>150,336</b>	<b>4,213</b>	<b>3%</b>	<b>163,854</b>
<b>Net Assets</b>	<b>13,008,227</b>	<b>13,019,157</b>	<b>(10,930)</b>	<b>0%</b>	<b>13,303,390</b>
<b>EQUITY</b>					
General equity	12,057,594	12,068,524	(10,930)	0%	12,352,757
Reserves	950,633	950,633	-	0%	950,633
<b>Total Equity</b>	<b>13,008,227</b>	<b>13,019,157</b>	<b>(10,930)</b>	<b>0%</b>	<b>13,303,390</b>

### Statement of Movement in Equity for the three months to 30 September 2011

(provided in Auckland Council requested reporting format)

For three months to 30 September FY2012	Sept Actuals	Sept Plan	Variance Actuals to plan		Full Year Plan
	\$000	\$000	\$000	%	\$000
<b>Equity at beginning of year</b>	<b>12,980,152</b>	<b>12,980,152</b>	-	0%	<b>12,980,152</b>
Net surplus/(deficit) after tax	(25,680)	(13,173)	(12,507)	95%	(17,136)
Revaluation reserve	-	-	-	0%	-
Contributed equity	53,755	52,178	1,577	3%	340,374
<b>Equity at end of year</b>	<b>13,008,227</b>	<b>13,019,157</b>	<b>(10,930)</b>	<b>0%</b>	<b>13,303,390</b>
<b>Equity at end of year comprises:</b>					
Contributed equity	12,122,737	12,121,160	1,577	0%	12,409,356
Reserves	950,633	950,633	-	0%	950,633
Retained earnings	(65,143)	(52,636)	(12,507)	24%	(56,599)
<b>Equity at end of year</b>	<b>13,008,227</b>	<b>13,019,157</b>	<b>(10,930)</b>	<b>0%</b>	<b>13,303,390</b>



### Statement of Cash Flow for the three months to 30 September 2011

(provided in Auckland Council requested reporting format)

For three months to 30 September FY2012	Sept	Sept	Variance		Full Year
	Actuals	Plan	Actuals to Plan		Plan
	YTD	YTD			YTD
	\$000	\$000	\$000	%	\$000
Net cash flows from operating activities <b>(Note 1)</b>	(17,932)	1,525	(19,457)	-1276%	104,482
Net cash flows from investing activities <b>(Note 2)</b>	(68,231)	(89,642)	21,411	-24%	(455,167)
Net cash flows from financing activities	85,896	88,117	(2,221)	0%	352,469
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(267)</b>	<b>-</b>	<b>(267)</b>		<b>1,784</b>
<b>Reconciliation</b>					
Opening cash balance	2,251				2251
Plus movements (above)	(267)				1,784
<b>Closing cash balance</b>	<b>1,984</b>				<b>4,035</b>
<b>Notes:</b>					
<b>1</b> Cash provided from activities, Auckland Council and NZTA grants	179,772	207,688	(27,916)		809,293
Cash applied to suppliers and employees	(197,704)	(206,163)	8,459		(704,811)
<b>Net cash flows from operating activities</b>	<b>(17,932)</b>	<b>1,525</b>	<b>(19,457)</b>		<b>104,482</b>
<b>2</b> Cash provided from Auckland Council And NZTA for capital projects	-	-	-		-
Cash applied to capex projects	(68,231)	(89,642)	21,411		(455,167)
<b>Net cash flows from investing activities</b>	<b>(68,231)</b>	<b>(89,642)</b>	<b>21,411</b>		<b>(455,167)</b>

## Summary of capital expenditure for the three months to 30 September 2011

For three months to 30 September FY2012	Sept Actuals YTD	Sept Plan YTD	Variance Actuals to Plan		Full Year Plan
	\$000	\$000	\$000	%	\$000
New capital	44,099	54,581	10,482	19%	296,245
Renewal capital	34,096	35,061	965	3%	199,955
Vested assets	-	-	-	-	-
<b>Total capital expenditure</b>	<b>78,195</b>	<b>89,642</b>	<b>11,447</b>	<b>13%</b>	<b>496,200</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

Plan = Approved budget for the 12 month period 1 July 2011 to 30 June 2012