

# ARTA Half Year Report

1 Jul to 31 Dec 2008

ARTA CEO Unit



Auckland Regional  
Transport Authority



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Auckland Regional  
Transport Authority



# 1 Summary and Highlights

## Major achievements

- The Public Transport Management Act was passed in October 2008 and enacted on 1 January 2009.
- The tender process for the Auckland Integrated Fare Solution was completed.
- An EOI was released in December 2008 for the supply and maintenance of new electric trains for the Auckland rail network.

## Patronage

- Public transport patronage for the six months to December 2008 was 28,881,053. This is an increase of 8.9% over the same period in 2007.
- Over half of the patronage growth was on scheduled bus services, which carried 1,519,174 more passengers than in the first half of 2007/08.
- Patronage on the Northern Express bus service increased by 94% to 712,305 passengers.
- Rail continues to make an important contribution to overall patronage growth, carrying 496,678 more passengers, a growth of 15%.

## Multimodal initiatives

- Over a million trips were made under the SuperGold free travel scheme, launched on 1 October 2008. This is an increase of 124% relative to Senior Citizens' concessionary fare boardings on the same services.
- Sales of tertiary tickets are up 64% for the calendar year, showing the lasting gains from the introduction of an improved system and higher discount from February 2008.

## Operational services

- An improved local and crosstown bus network focussed on Botany Town Centre was consulted upon and will be put in place from 1 February 2009.
- Additional bus services on Mt Eden Rd were introduced from 12 October 2008.
- Northern Express peak frequency was improved to a 4-minute headway in October.
- A minimum of four or more trains per hour at peak times across the current suburban network was implemented on 13 July 2008, with further capacity and timing improvements to rail timetables from October 2008.
- Within the 3-month notice period from Fullers for the Bayswater and Half Moon Bay contracted services, ARTA undertook an emergency tender at the end of 2008. The result was a reduction in public subsidy across the two services combined, whilst maintaining service continuity and timetables for customers and avoiding any requirement for a fare increase.

- Customer satisfaction has improved across all measures. The most significant improvement is in the proportion of customers who rate the public transport service as good to excellent value for money, which has risen to 70% (from 64% in 2007/08), due almost entirely to an improvement in the ratings given by bus customers.
- The annual evaluation of the TravelWise Schools programme involved surveying 36,846 students at 77 schools and has confirmed that the project has met its annual target of taking 5,000 cars off the road each morning peak. 25 new schools will join the programme in Term 1, 2009.
- ARTA completed implementation of NZTA's "Phase 2" recommendations for national improvements to the Total Mobility scheme. A series of half-day Total Mobility Assessment training courses were held in various locations to train 100 Assessment Facilitators from 35 contracted disability agencies in the Auckland Region.

## Infrastructure

- The first of the major contract milestones for construction of Newmarket Station has been met, with completion of the western two thirds of the Southern Concourse structure sufficient to allow relocation of the tracks over the Christmas rail shutdown period.
- ONTRACK are progressing rail trench works at New Lynn, and designs and agreements are being put in place for construction of a modern station and bus interchange.
- A temporary rail station is now operational at Avondale, to allow relocation and double tracking works by ONTRACK.
- The location of the Manukau station has been agreed and concept design has commenced.
- Improved passenger facilities have been constructed at Downtown, Half Moon Bay and Gulf Harbour wharves.
- A tender process has been completed for the Auckland Integrated Fare Solution programme.
- The installation of real time passenger information signs at high priority bus stops across the region is 93% complete.

## Strategic planning

- The 2009/2013 draft Regional Land Transport Programme has been finalised following submissions from the local authorities, ARTA and NZTA Highways Networks & Operations. This is the first 3-year RLTP under new legislation and involves using new procedures and new evaluation tools across all of the land transport activities in the Auckland Region.
- The draft Auckland Transport Plan 2009 is substantially complete and will be released for public consultation in early 2009. The draft ATP is the flagship 10 year planning document for implementing an integrated Auckland Transport system.
- The regional road toll to December 2008 was 55, six fewer deaths than in the calendar year 2007 and the lowest regional road toll since the 1960's.

## 2 Passenger Transport Patronage

### 2.1 Overall patronage trends

Public transport patronage continues to grow rapidly. Patronage for the six months to December 2008 was 28,881,053, which is an increase of 8.9% over the same period in 2007. This is an increase of 2,359,105 passengers.

Rail patronage continues to make an important contribution to overall patronage growth and is ahead of target. However the summer season of rail track improvement works and the associated disruptions, which were managed through the provision of replacement buses, mean that growth in rail has slowed over the December quarter, particularly on the Southern and Eastern rail lines, which have grown 13% in the year to date (the figure for the September quarter was 22%).

The success of the Northern Express bus service continues, with patronage roughly double (94% increase) relative to the same period last year, due largely to the opening of the busway and three additional stations in February 2008.

Most significant in terms of patronage numbers was the 7.8% increase in patronage on “all other bus” services, which carried 1,519,714 additional trips. Discounted tertiary fares and free travel for SuperGold card holders each made important contributions to this result as detailed in the following section.

The decline in ferry patronage appears to have halted. The year to date result is still a decline of 50,652 passengers but this is almost entirely due to the patronage decline in the first quarter (49,768 passengers). Active promotion of free travel for SuperGold card holders contributed to a good result in the December quarter, despite fare increases earlier in the year.

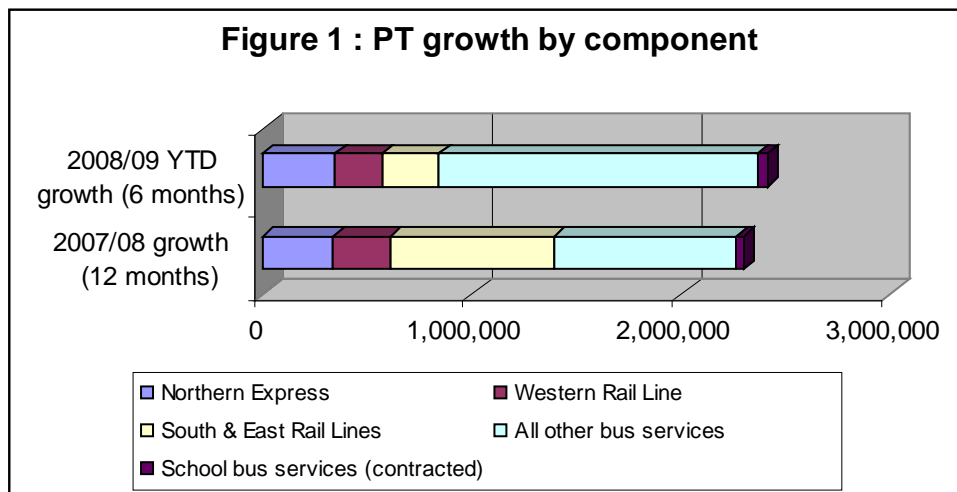
In line with overall patronage trends, school bus patronage has also increased by 3.9%.

Performance Measure	2008/09 Target	Year to date result	Change from 2007/08	Change YTD from 2007/08
Total PT patronage increases by 1.7%	55,318,700 passenger boardings Increase of 913,000 = 1.7%	28,881,053	2,359,105	8.9%
Northern Express patronage	1,100,000 passenger boardings Increase of 137,000 = 14%	712,305	345,459	94%
Western Rail Line patronage	2,608,000 passenger boardings Increase of 204,000 = 9%	1,399,186	224,127	19%
Southern & Eastern Rail Lines patronage	4,595,000 passenger boardings Increase of 180,000 = 4.7%	2,412,360	272,551	13%
Patronage on all other bus services	40,044,000 passenger boardings Increase of 321364 = 1%	21,049,273	1,519,174	7.8%
Patronage on ferry services	4,404,000 passenger boardings Increase of 24,462 = 1%	2,028,890	-50,652	-2.4%
Patronage on school bus services	2,567,000 passenger boardings Increase of 20,174 = 1%	1,279,039	48,447	3.9%

## 2.2 Analysis of growth trends

There has been an important shift in the nature of public transport patronage growth in 2008/09 to date, relative to past years. Growth in the Rapid Transit Network, comprising the Northern Express bus service and the rail system, remains important, but for the first time in several years bus patronage dominates overall growth.

Figure 1 also shows that there has been more growth in the first half of 2008/09 than for the entire year 2007/08.





## 2.3 Rapid Transit Network patronage

The Rapid Transit Network carried 4,523,851 trips in the half year, which is an increase of 842,137 over the first six months of 2007/08.

Performance Measure	2008/09 Target	Year to date result	Change from 2007/08	Change YTD from 2007/08
Northern Express patronage	1,100,000 passenger boardings Increase of 137,000 = 14%	712,305	345,459	94%
Western Rail Line patronage	2,608,000 passenger boardings Increase of 204,000 = 9%	1,399,186	224,127	19%
Southern & Eastern Rail Lines patronage	4,595,000 passenger boardings Increase of 180,000 = 4.7%	2,412,360	272,551	13%
<b>RTN total</b>		<b>4,523,851</b>	<b>842,137</b>	<b>23%</b>

### Northern Express

Patronage on the Northern Express has almost doubled (94% higher than the first half of 2007/08) and has made a significant contribution to the overall growth in patronage numbers, with 345,459 additional trips.

The step change in patronage on this service dates from the opening of the Northern Busway in February 2008 with a major public transport network marketing campaign and an interim integrated ticketing and fares solution. Other services using the Busway have also experienced patronage growth, and contributed to the growth in the “all other bus” category.

Northern Express frequency has been increased twice in 2008 to match demand, with the peak AM frequency now at 4 minutes. The fleet has also been replaced by Ritchies since the start of the ARTA contract in 2005 with new vehicles, the most recent being the first Euro 5 vehicle on the service.

### Rail

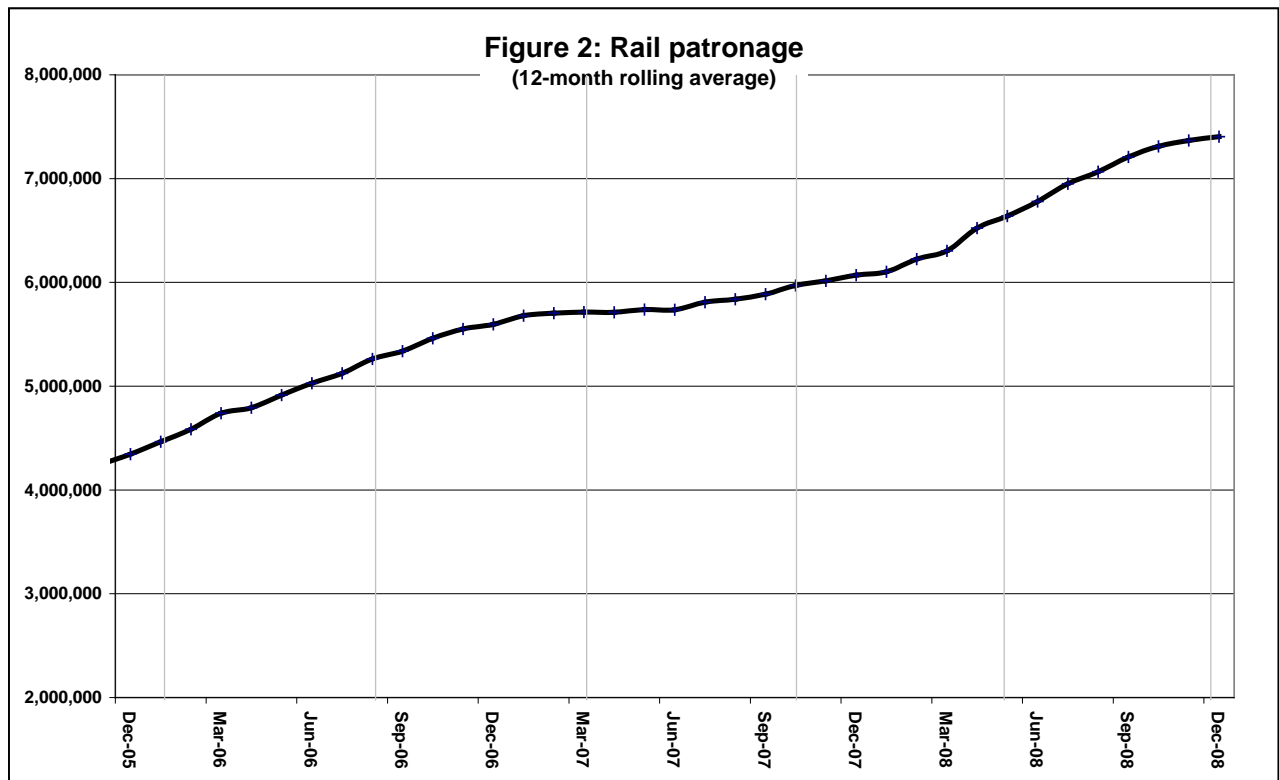
Rail patronage continues to increase breaking numerous monthly records in the latter half of 2008, but the rate of increase slowed in the December quarter relative to the 3 months to September. There were 496,677 more rail trips in the year to date than for the same period in 2007/08, an increase of 15%. In contrast to last year, almost half of this growth was on the Western rail line, where four services per peak hour were introduced from July 2008 following progress on the Western Line double tracking component of the DART project.

Growth is attributed to improved timetables and increased capacity (July and October 2008 new timetables), improving reliability and punctuality and increased awareness of rail and public transport services.

A focus towards the end of 2008 was also made on improving customer service through Veolia with initiatives such as a customer information team at platform level at Britomart, increase in peak on-board staff and ticket collectors, enhanced PA announcements and staff training, restructure of Veolia to commence the implementation of a customer service centric management approach and establishment of a ‘Meet The Manager’ programme.

A number of factors are expected to limit patronage growth in rail over coming months:

- Ongoing works on the rail line, with potential further infrastructure commissioning, leading to reliability problems which impact on service reliability and customer confidence
- Continued interest in rail leading to more publicity around reliability problems
- The long shutdown period this year, extending to 18 January (cw 6 January last year). Bus replacement services are much less popular than trains.

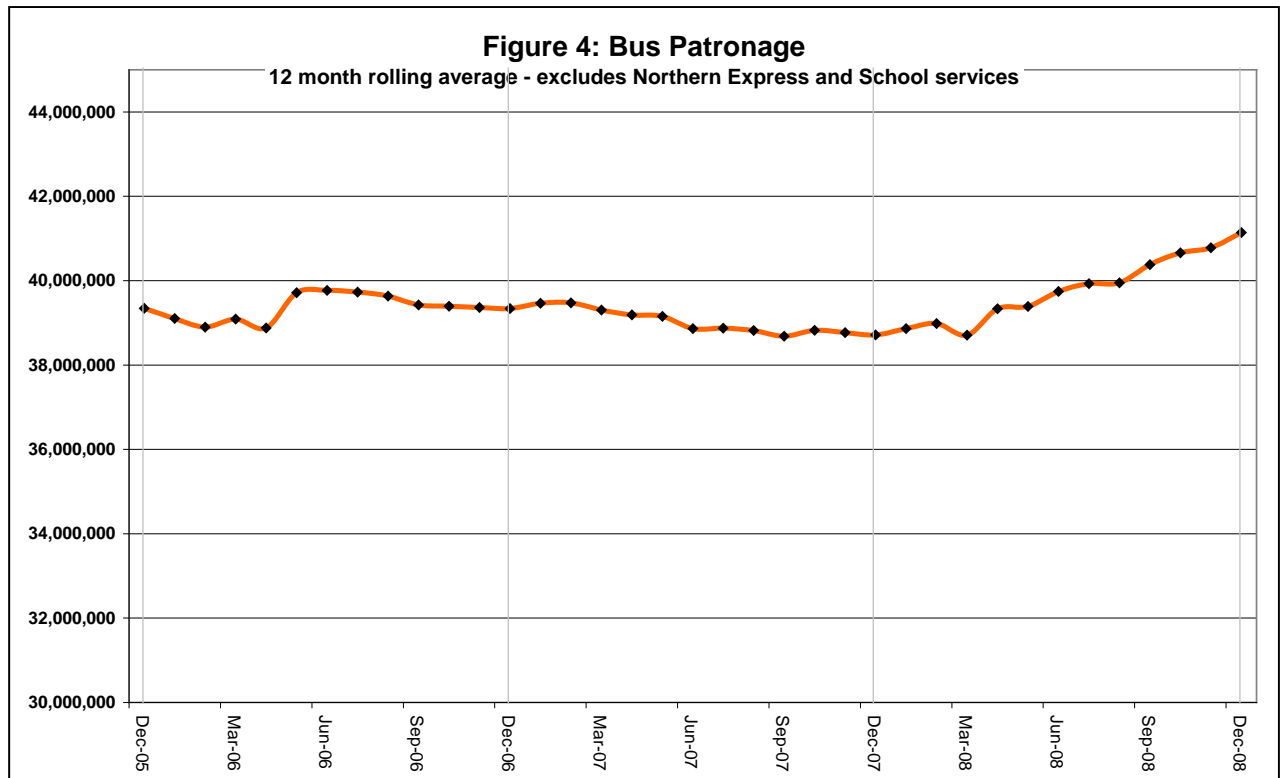


The proportion of services arriving on time or within 5 minutes of schedule remains above the SOI target on all lines, despite construction works.

			Half Year to December 08	Half Year to December 07	SOI Target
Improve service punctuality	RTN services arrive at all stations within 5 minutes of scheduled time.	80% of Western Line services arrive at all stations within 5 minutes of scheduled time	89.7%	81.7%	80%
		80% of Southern Line services arrive at all stations within 5 minutes of scheduled time	83.3%	84.1%	80%

## 2.4 Bus services

Bus services, excluding the Northern Express and School services, carried 21,049,273 trips in the first half of 2008/09. This is 1,519,174 more boardings than in the same period last year, an increase of 7.8%.



This confirms the trend of the June and September quarters, which also showed growth in bus services, after four years of static performance. This is highly significant; despite the strong focus on rail and the busway, this category of services still accounts for almost three quarters (73%) of total patronage.

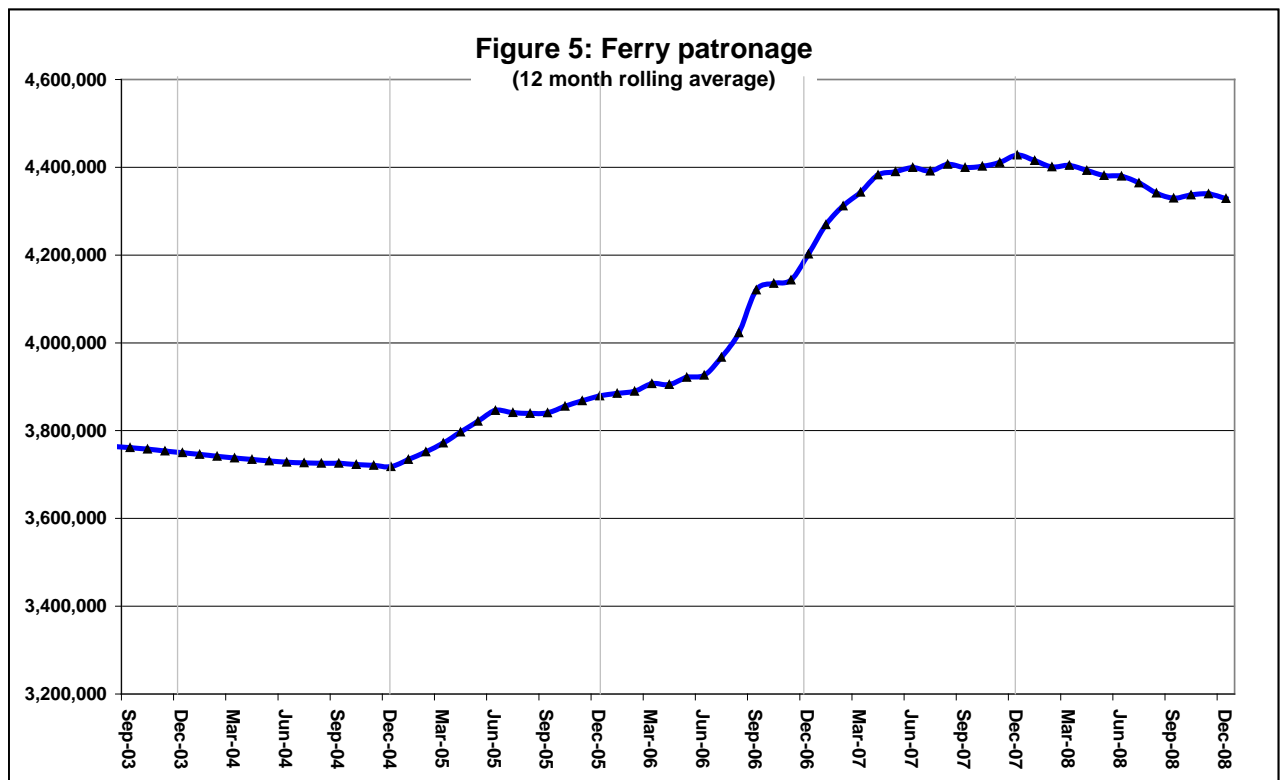
Services where significant improvements have been made in 2008 continued to show above average growth. These include the North Shore and Hibiscus Coast sector, Mt Eden Road, and the Botany and Howick to Auckland corridor.

Other contributors to patronage growth include SuperGold Card free travel for seniors, and Tertiary discount from 20% to 40% (as detailed in the following section) and the holding of general PT fares throughout the year as fuel prices fluctuated.

## 2.5 Ferry services

There were 2,028,890 ferry boardings in the six months to December 2008, a decrease of 2.4% relative to the same period in 2007.

Ferry patronage in the December quarter 08/09 was 1,111,892. The year to date result is still a decline of 50,652 passengers but this is almost entirely due to the patronage decline in the first quarter (49,768 passengers). Active promotion of free travel for SuperGold card holders contributed to a good result in the December quarter, despite fare increases earlier in the year.



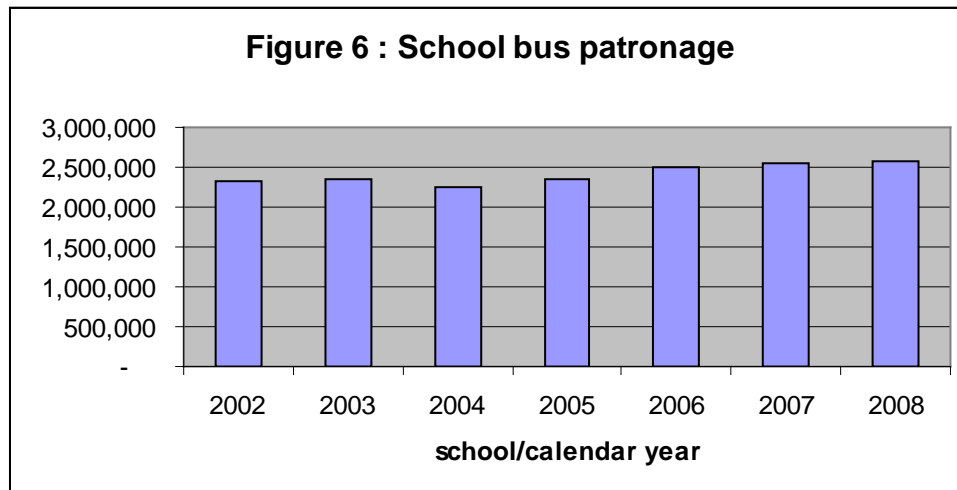
ARTA contracted services where frequency improvements have been implemented have seen significant patronage growth of up to +60%. West Harbour and Pine Harbour have seen a frequency increase in March and June 2008 respectively.

Within the 3-month notice period from Fullers for the Bayswater and Half Moon Bay contracted services, ARTA undertook an emergency tender at the end of 2008. The result was a reduction in public subsidy across the two services combined, whilst maintaining service continuity and timetables for customers and avoiding any requirement for a fare increase.

## 2.6 School Bus services

There were 1,279,039 boardings on ARTA contracted school bus services in the six months to December 2008, an increase of 48,447 or 3.9%. As individual schools set their own start date and school holiday timings to deliver a set annual number of days, quarterly comparisons are less helpful than looking at complete school years. School bus patronage grew by 1.5% (39,379 boardings) in the 2008 school year.

As part of ARTA's continuous improvement programme, additional school bus services were added in the Albany area for the start of Term 1, 2009.



## 2.7 Multimodal initiatives

Multimodal initiatives have had a significant impact on patronage this half year. Increased discounts on tertiary fares, the introduction of free travel from 9am for SuperGold card and MAXX senior citizen card holders, and improved Special Events services apply across bus, rail and ferry services and have led to patronage increases which have contributed significantly to the overall growth in patronage.

### Record PT use to Eden Park

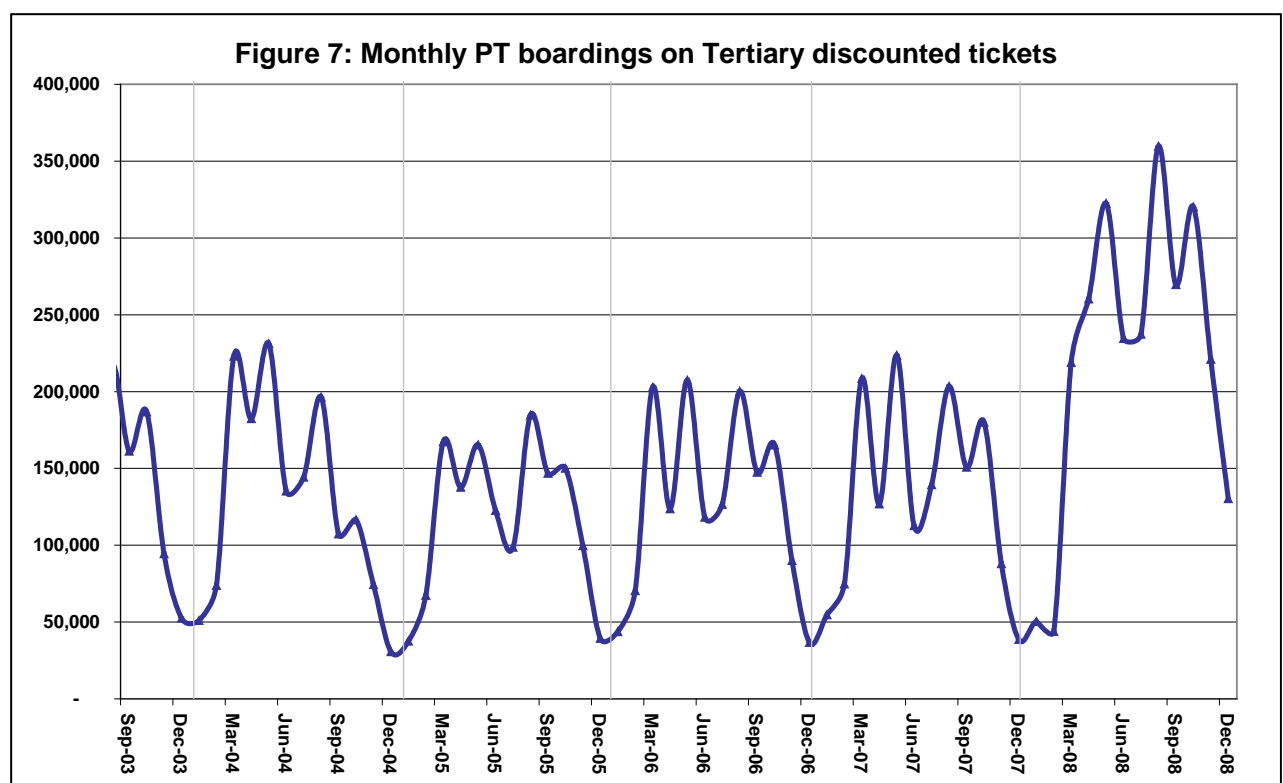
Use of public transport to Eden Park events reached record totals in 2008. ARTA has expanded the special event PT network introduced in 2007 to include both rail and bus shuttle services from mid-town, Albany and Takapuna, with free travel on this network for match ticket holders (with contribution from event organisers) and enhanced marketing. This has provided a good base to progress public transport solutions for Rugby World Cup 2011.

## Tertiary fare discounts

Recognising the significant use that students already make of passenger transport, ARTA introduced an increased concession fare on 3 March 2008. It gives full-time tertiary students throughout the Auckland region a 40% discount off the one-way single adult fare when purchased as part of a 10-Ride ticket or the 7-Day Northern Pass. This doubled the discount students had received in the past.

The discount was strongly promoted to the target group using street posters, a group on Facebook, radio and online advertising, and information included in student orientation packs. The number of outlets authorised to sell discounted tickets was increased from 5 to over 30.

The results can be seen as a sharp increase in tertiary ticket use for the whole of the 2008 calendar year. Tertiary ticket sales were 2,668,200 compared to 1,601,100 in 2007, an increase of 1,067,100 (67%). The biggest increase was in the months where there were university holidays; this is likely to be driven by the increased number of outlets selling tertiary tickets rather than having to buy them on campus.

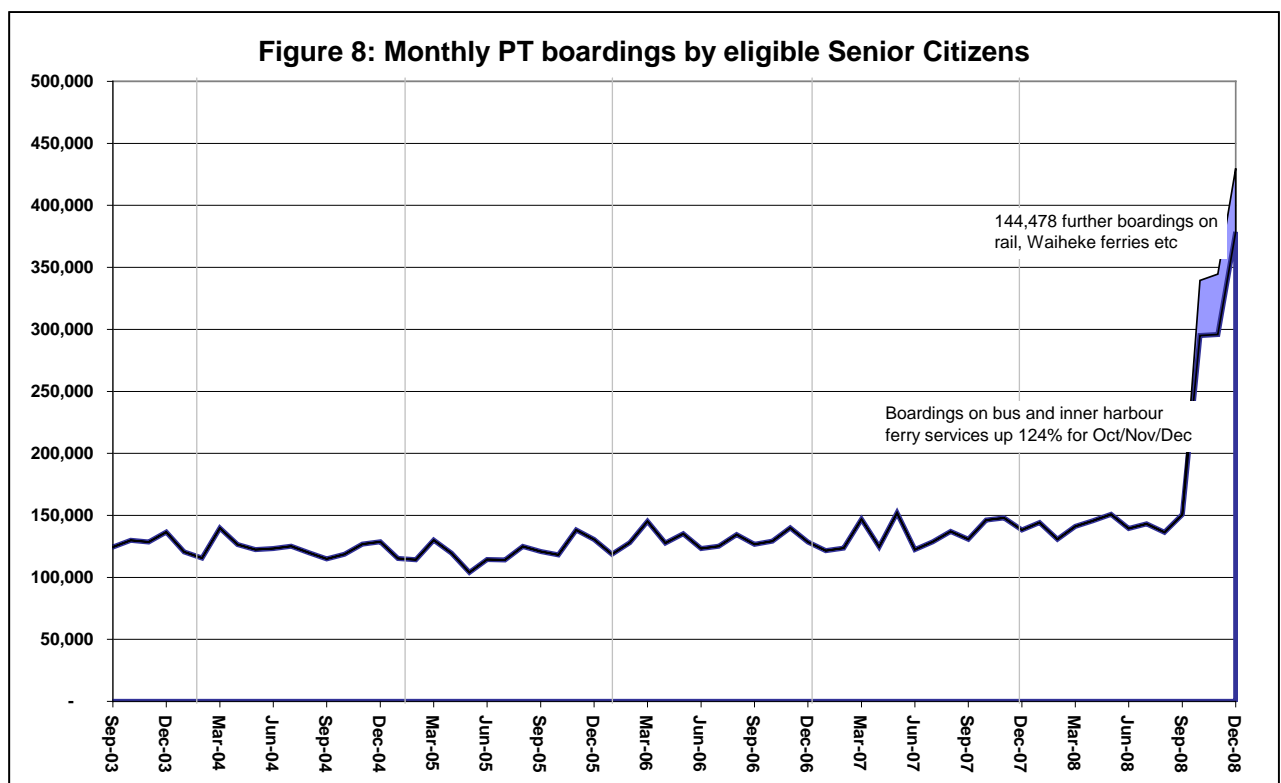


## SuperGold card travel

From 1 October 2008, holders of the SuperGold card or MAXX Senior Citizens card have been entitled to free travel on all urban buses, trains and ferries in the region after 9am weekdays, and all day on weekends and public holidays.

This is a Central Government initiative funded through the Ministry of Social Development, and aims to give SuperGold Card holders greater access to their local communities by funding offpeak travel on public transport, reversing a trend for increasing social isolation of this age group. The ARC, ARTA and the NZ Transport Agency worked together to achieve an even better deal for Auckland's senior citizens, who can travel free on any service after 9am weekdays, including afternoon peak services.

Senior citizens in Auckland have responded extremely positively, making over a million (1,113,932) trips on Auckland buses, trains and ferries in the three months from 1 October 2008. Where a direct comparison can be made to Senior Citizens' boardings during the same period in 2007, trips have more than doubled (124% increase, from 432,477 claims for Senior Citizens' discount to 969,454 SuperGold claims). A further 144,478 SuperGold trips were made on rail, Waiheke ferries and other services for which no direct comparison data is available.



## 3 Customer Satisfaction

### 3.1 Satisfaction with PT services

Customers participating in ARTA's regular satisfaction survey gave a strong positive rating for the public transport service. Overall, 83% of customers rate the service as good, very good or excellent. Ratings are higher for the Rapid Transit Network, reflecting the popularity of improved rail and Northern Express bus services, and for the Local Connector Network which carries a higher proportion of off-peak and social journeys.

There has been a statistically significant increase in the proportion of customers rating value for money as good, very good or excellent. This increase is due to a change in perceived value for money by bus customers, 67% of whom now rate the service as good, very good or excellent value for money – up from 61% in May 2008. This brings bus much closer to the value for money ratings of rail (75%) and ferry (69%).

			06/07 result	07/08 Result	October 08 result	08/09 target
Deliver quality Passenger Transport services that meet Aucklanders' expectations, within available funding	Overall Customer satisfaction scores for RTN, QTN and Local Connector Network (LCN). Total of Good, Very good, or Excellent .	Maintain overall customer satisfaction above 80%	81%	81%	83%	Above 80%
		RTN satisfaction above 85%	84%	85%	85%	Above 85%
		QTN satisfaction above 80%	80%	78%	81%	Above 80%
		LCN satisfaction above 80%	81%	81%	85%	Above 80%
	Customer rating of value for money of travelling by passenger transport in Auckland	Increase proportion of customers who rate value for money as good, very good or excellent	63%	64%	70%	68%

Source: on-board survey of over 3,000 bus, train and ferry passengers, conducted by Gravitas Research between and October 2008.

### 3.2 The stop/station and vehicle

The ongoing upgrade of the rail network, and the quality of Northern Busway stations and vehicles, is recognised and appreciated by customers, who give a very high rating for these factors.

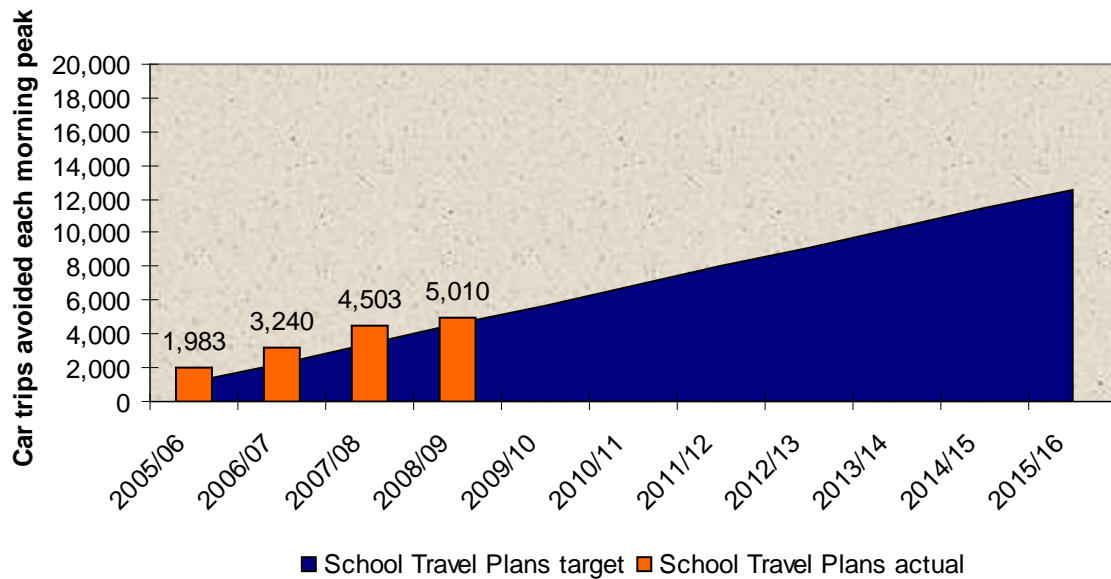
			06/07 result	07/08 Result	October 08 result	08/09 target
To deliver the step-change in Passenger Transport infrastructure that will enable a world class service offering.	Customer satisfaction scores for Rapid and Quality Transit Networks (RTN and QTN) stops/stations and vehicles	80% of RTN customers rate stops/stations as good, very good or excellent	79%	82%	90%	80%
		90% of RTN customers rate vehicles as good, very good or excellent	94%	93%	94%	90%



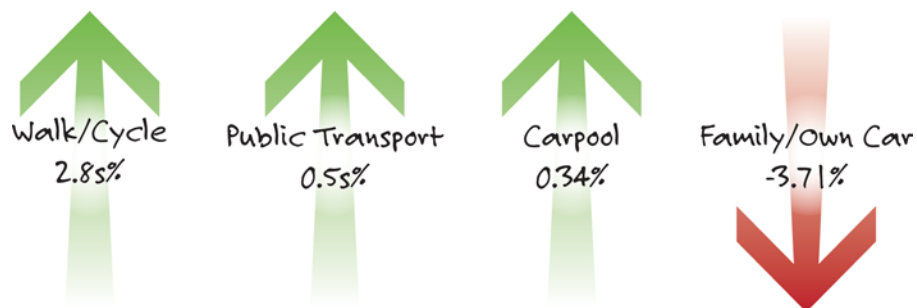
## 4 TravelWise

The annual evaluation of travel patterns at TravelWise schools is complete and has confirmed that the programme is effective at reducing car trips to school and increasing active transport and public transport. Each morning there are 5,010 fewer car trips to school as a result of the programme – just above the annual target of 5,000.

**TravelWise Schools progress towards target**  
2016 target = 12,600 fewer car trips each morning peak



This result is mainly due to the ongoing increase in walking and walking school bus at TravelWise primary schools. This year, there is also a statistically significant increase in walking, public transport use and carpooling in secondary schools. Because of the very large numbers of students involved in the survey (36,846 students at 77 schools) the margin of error in this data is very low; even small changes can be measured accurately.



Source: TravelWise surveys of 36,846 students at 77 schools before and after Travel Plan implementation

## 5 Progress against ARTA's Programme of Action

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

Rail Programme of Action	Update as at 31 Dec 08
Purchase of electric trains	The ARC has approved the procurement plan for electric trains, and Government has approved a Regional Fuel Tax. An Expression of Interest (EOI) for the supply and maintenance of new Electric Multiple Unit (EMU) cars was released on 23 December 2008 with a closing date of 12 February 2009. Request for Tender (RFT) documentation is under preparation, and is scheduled to be released to shortlisted Suppliers in May 2009.
Construct a large modern station at Newmarket (to open late 2009)	Construction of the western two thirds of the Southern Concourse structure has been completed sufficient to allow relocation of the tracks over Christmas which is the first of the major contract milestones. The western platform edge and associated columns have been installed along with the structure for the link bridge to Remuera Road.
Construct a large modern station at New Lynn (timing dependent on the ONTRACK double tracking/undergrounding project)	The approved concept design for New Lynn station includes a modern, efficient interchange with escalators and a lift. The developed design phase has been completed and cost estimates are being reconciled to budgets to enable the detailed design to progress. ONTRACK continue to manage the detailed design of the rail trench civil works and are progressing enabling works.
Construct a new station at the intersection of Khyber Pass and Park Rd (near Auckland Hospital)	The ARTA Board have endorsed the station concept and preliminary discussions have started with ONTRACK to establish opportunities and a coordinated approach to the design and build. Opus International Consultants will be commencing the station design in the new year.
Avondale station upgrade	ARTA is working with Auckland City and ONTRACK to finalise the design of Avondale Station which will be relocated and upgraded as part of ONTRACK's double tracking works between Blockhouse Bay Road and New Lynn. Line closures over December allowed for track lowering works, and a temporary station east of Blockhouse Bay Road is now operational.

## Rail Programme of Action cont'd Update as at 31 Dec 08

<p>A trial service from Helensville, for 12 months from July 2008</p>	<p>The trial service from and to Helensville continued during the quarter to a high degree of reliability, recording a single cancellation due to a freight train blocking the route. Patronage on normal weekdays has continued at similar levels to those recorded for the September quarter, averaging around 25 passengers per trip. During the school holidays in October, significantly higher numbers were recorded on the evening trip with “day-trippers” travelling on the outbound service and back on the return trip. December patronage showed an average of 42 passenger trips per day across the three service trips. Over the Christmas/New Year period, generally a time of low patronage, all passenger services were suspended on the western line for major upgrade works and a bus replacement service was in operation.</p>
<p>Four or more trains per hour at peak times across the current suburban network from July 2008</p>	<p>This level of service was achieved from 13 July 2008.</p>
<p>Provision of 2 services per hour at peak times on the Onehunga branch line in 2009</p>	<p>ARTA is working with the ARC, Auckland City and ONTRACK to finalise options for stations along the Onehunga Branch Line. The timing of commencement of services is dependent on ONTRACK confirmation of the completion date for below-track works, and the original timeline to commence services in 2009 is under review.</p>
<p>Provision of 6 services per hour at peak times on the Manukau Rail Link</p>	<p>The location of the Manukau station has been agreed, and concept design has commenced. ARTA is working with Manukau City Council and ONTRACK to develop a detailed programme of works leading to commencement of services in late 2010.</p>
<p>A new station serving Parnell and the Learning Quarter</p>	<p>ARTA is working with Auckland City and ONTRACK to finalise the location of the Parnell station and the associated scope of works.</p>
<p>A new Drury station</p>	<p>ARTA’s commitment to construct a Drury station is being reviewed in the light of ONTRACK’s decision that the southernmost station on the electrified network will be Papakura.</p>
<p>Station upgrades at Baldwin Avenue, Morningside, Mt Albert, Remuera, Greenlane, Penrose, Otahuhu, Te Mahia, Takanini, Waitakere and Pukekohe.</p>	<p>ARTA is working with ONTRACK and the relevant local councils to finalise the location and scope of works for these stations. Works at Morningside are being prioritised as part of the Rugby World Cup package of transport projects.</p>

Bus Programme of Action	Update as at 31 Dec 08
Improved bus services between Auckland International Airport and the Auckland CBD, and a new service from Manukau City, supported by train connections, from mid 2008.	Simpler route and improved frequency on the Airbus Express commenced 16 June 2008 Airport to Manukau service commenced on 15 June 2008
Improved services to Flat Bush, Highbrook, Mt Wellington from 2008 onwards.	680 & 681 Botany & Mission Heights services launched 31 August 2008 Improved services to Flat Bush was covered in part by the introduction of route 681 from Mission Heights to Botany and Britomart. Additional services to Flat Bush as well as services to Highbrook are included in the Botany to Howick local and Manukau cross-town consultation which has recently been completed. Implementation of these changes is planned for 1 and 2 February 2009.
Improved southern and eastern bus services and connections with trains from late 2008.	Revised timetable to introduce bus services to Stonefields - 31 August 2008 The next tranche of service design work for southern and eastern bus services is not planned until the 2010/11 financial year and will cover services in Manukau, Manurewa, Papakura, Otara and Pukekohe.
Improvements to North Sector bus services.	Integrated North Shore to Airport ticket - 1 September 2008 Knightsbridge Village to Constellation Station trial service - 1 October 2008 Hibiscus Coast and North Shore Express services stopping at all stations - 15 September Additional morning Torbay to Newmarket service - 21 July 2008 Additional Northern Express peak frequency - 13 October 2008
Improvements to isthmus bus services, and implementation of a Quality Transit Network.	Mt Eden Road additional services were introduced from 12 October 2008 Work is progressing to finalise a High Frequency bus corridor network concept for rollout with enhanced frequency, simpler routes and enhanced infrastructure and bus priority (subject to TA agreement)

Ferry Programme of Action	Update as at 31 Dec 08
Improvements to passenger waiting facilities and additional services at Half Moon Bay in 2008.	Improvements to passenger waiting facilities completed Oct 2008. The costs of additional services to Half Moon Bay have been investigated further and are not considered to be affordable within current budgets.
More frequent services to Pine Harbour from mid 2008.	Additional Pine Harbour services began operating on 3 March with additional vessel and two extra return journeys each week day.
More frequent services to West Harbour from 2008 and Gulf Harbour from 2009.	Additional West Harbour services began on 16 June with an additional vessel and six extra return journeys each week day.
A new ferry wharf and ferry services for Beach Haven from early 2009.	A staged option has been developed to construct the ferry terminal, while minimising the impact on the heritage values of the existing wharf, protecting requirements over the longer term and meeting expectations of the community and stakeholders. The ARC component of capital funding for this development cannot be confirmed until the cost of electric trains is known, so the project is currently on hold.
More frequent evening and weekend services to Devonport from mid-2008.	Additional evening services to Devonport were added to the Fullers commercial service offering in early 2008.
Downtown ferry terminal upgrade.	Several improvements to passenger facilities at the Downtown Ferry Terminal were completed in late 2008, including: Pier 1 Glass Wall enclosure and Ports Operations Office Pier 2 Canopy Pier 1 to 2 Link Bridge / Promenade Extension and Fendering
Downtown wharf structural renewals.	An increased scope of work for structural renewals to the Downtown Wharf has been agreed and work is progressing. The extended completion date is now mid-2010.
Birkenhead ferry terminal upgrade.	Funding for the Birkenhead Ferry Terminal Upgrade project has been approved by NZTA, and detailed design is underway. Construction is subject to the finalisation of the lease agreement between NSCC and ARTA for the operation, maintenance and renewal of NSCC wharves, and is currently scheduled to commence in the second quarter of 2009, with a scheduled completion date of end 2009.
Improved facilities at Gulf Harbour.	Improved passenger waiting facilities completed Oct 2008.
A new ferry terminal at Bayswater, to open early 2010, with more frequent services to Bayswater and Birkenhead at that time.	The ARC component of capital funding for the Bayswater ferry terminal development cannot be confirmed until the cost of electric trains is known, so the project is currently on hold. Improvements to ferry services have also been deferred due to funding constraints.

Other identified projects	Update as at 31 Dec 08
Integrated smartcard ticketing by late 2010	<p>The Auckland Integrated Fare Solution (AIFS) Programme is progressing through Procurement and is about to enter into final negotiations to take the programme of work forward into Development and Implementation. Throughout the second half of 2008, external factors outside the control of the AIFS Programme have delayed the completion of the Procurement Phase with resultant scope, schedule and cost impacts. These external factors persist into Q1 2009, however the programme team remain confident that these will be resolved, the project will progress into Development, and any further negative impacts on the programme can be mitigated. Current expectation is to be in contract before the end of Q1 2009 and to start the Development phase soon after.</p>
Real time public transport information available across the region by late 2010	<p>The installation of "Type 1" real time passenger information signs at high priority bus stops across the region is 93% complete. Installation work commenced on 1 July 2008. As at end December Rodney District (9 sites) was completed, Waitakere City (47 sites) all completed, North Shore City (42 sites) 41 completed, Manukau City (47 sites) 38 completed, Franklin District (1 site) completed and Papakura District (2 sites) deferred at PDC request pending completion of development work on the sites.</p> <p>The trial of "Type-2" solar powered information signs has experienced delays. Two prototype Metro-i real time information signs have been purchased from CHS for on-street trials at bus stops in Mokoia Rd and Forrest Hill Rd. The start of the trial has been delayed due to intellectual property and software testing issues with the system suppliers, and is now scheduled to commence on 16/1/2009. If the trial is successful it is proposed to install up to 200 similar units at bus stops throughout the region.</p> <p>Real time passenger information for rail services is now included in the regional integrated RTPIS project. The project now covers all the region's passenger information needs for ferry, bus and rail services and for multimodal interchanges. Funding is not yet approved by NZTA for this project. This will cause a delay to the start of physical work which was scheduled to commence in April 2009.</p>
Offering every school in Auckland the opportunity to develop a travel plan by 2014, and increasing support for school bus services and walking school buses	<p>25 new schools have confirmed that they will join the programme in the 2009 school year. The annual evaluation of TravelWise Schools has confirmed that there are 5,010 fewer car trips to school each morning as a result of the programme, just ahead of the annual target of 5,000 and above the level needed to achieve RLTS targets.</p> <p>Additional capacity was added to Albany school bus routes for the start of Term 1 2009.</p>



**Other identified projects  
cont'd**

**Update as at 31 Dec 08**

Ongoing increases in the Total Mobility scheme for people with disabilities, and in concession fares for children, students and senior citizens, in line with population growth and demographic change.

In October ARTA completed implementation of NZTA's "Phase 2" recommendations for national improvements to the Total Mobility scheme. A series of half-day Total Mobility Assessment training courses were held in various locations to train 100 Assessment Facilitators from 35 contracted disability agencies in the Auckland Region.

Free public transport for SuperGold Card holders and MAXX Senior Citizen Card holders was launched on 1 October 2008; since that date boardings by eligible senior citizens on Auckland buses, trains and ferries have more than doubled.

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## 6 Summary of Activities – Strategic planning

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

The 2009/2013 draft Regional Land Transport Programme has been finalised following submissions from the local authorities, ARTA and NZTA Highways Networks & Operations. This is the first 3-year RLTP under new legislation and involves using new procedures and new evaluation tools across all of the land transport activities in the Auckland Region.

Work continues on the preparation of the draft Regional Public Transport Plan. This Plan is the key mechanism for the integrated planning of public transport under the Land Transport Management Act. A discussion document has been released to stakeholders for consultation, and the release of the draft Plan is scheduled for mid- 2009.

The draft Auckland Transport Plan 2009 will be released for public consultation in early 2009. The draft ATP will be the flagship 10 year planning document for implementing an integrated and sustainable Auckland Transport system.

A review of national, regional and local walking strategies is being prepared. The report will enable ARTA to effectively engage with those responsible for achieving active transport targets in the Auckland region.

The final Regional Arterial Road Plan has been completed and is in the layout and printing stage.

The Draft Regional Road Safety Plan has been revised to include changes from consultation submissions in preparation for ARTA approval in early 2009.

ARTA co-ordinated the RoadSafe Auckland 'Share the Road' Campaign targeting cyclists and motorists. Evaluation responses are very positive indicating good public support for the campaign.

The regional road toll to December 2008 was 55, six fewer deaths than in the calendar year 2007 and the lowest regional road toll since the 1960's.

	RDC	NSCC	WCC	ACC	MCC	PDC	FDC	Region
Dec 08	9	4	3	8	20	1	10	55
Dec 07	13	4	5	6	16	3	14	61

No correlations have yet been established, but the reduced road toll appears to be due to changes in vehicle travel, speeds and increased passenger transport as a result of increased petrol prices during the winter months. However, serious injuries and motorcycle crashes appear to have increased during 2008.



## 7 Summary of Activities – Major projects and infrastructure

**Deliver the step-change in Passenger Transport infrastructure that will enable a world class service offering** by building critical infrastructure and enhancing ARTA's capability to manage assets long term.

### **Rail rolling stock**

The first two refurbished SX carriages were delivered into Auckland on 28 October 2008 and rejoined the service fleet on 17 November. A further two carriages are available for service from January. The refurbished carriages are more comfortable for customers and have an extended carriage service life to 2015.

The ADL Air Conditioning upgrade is now complete; forty-three units have been upgraded and returned to service.

The first two cars from the SA trainsets 18-23 project were commissioned in December 2008, approximately 6 months ahead of schedule. KiwiRail has advised that availability and delivery times of metric bearings on the international market is of concern in their meeting delivery dates for the remaining carriages.

### **Infrastructure developments**

A summary of progress on infrastructure developments is included in the “Programme of Action” section of this report.

## 8 Summary of Activities - Operational Services

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

Significant work on information systems and operational procedures enabled the smooth introduction of free travel for SuperGold cardholders from 1 October. Detailed monitoring systems have been put in place, and headline results show that the initiative has more than doubled public transport use in this age group.

ARTA lead a major consultation on ARTA's proposed local and crosstown bus network focussed on Botany Town Centre. A brochure was distributed throughout Manukau City and attracted 339 responses. The response was largely positive, but feedback on the proposed withdrawal of Route 61 has prompted the inclusion of an alternative shuttle bus service in the plan. The new network was implemented on 1 February 2009.

Key stakeholder and political consultation has been completed on the new bus service network design for Waitakere and West Rodney.

A redesign of the Western Bays bus network is nearing completion in preparation for public consultation.

A competitive tender process was undertaken for operation of the Bayswater and Half Moon Bay passenger ferry services. The successful tenderer was the incumbent operator (Fullers), and the total cost across both services was lower than the previous subsidy level. The new contracts began on 17 January with no noticeable change for passengers.

A Bus Stop Infrastructure Guide was prepared, to promote best practice and regional consistency in the layout and provision of bus stops, which are a TLA responsibility. The Infrastructure Guide will assist in providing a more consistent experience for customers and greater efficiency for ARTA and for operators. The NZ Transport Agency is considering application of the guide at a national level. A linked project has prepared a Bus Stop Inventory, a key dataset for ARTA's operational and patronage monitoring.

A reduced Christmas timetable was put in place for rail and bus services, and additional NiteRider services provided on New Years Eve. The majority of the rail network was shutdown for up to three weeks over the holiday period to accommodate infrastructure upgrade projects. A bus rail replacement network was operated during this time.

A School Travel Plan resource kit for lead teachers in primary schools was prepared, and will be distributed to over one hundred schools in Term 1 2009.

New procurement procedures have been drafted and approved by ARC and NZTA for the next generation of bus and ferry contracts following successful enactment of the Public Transport Management Act 2008 after many years of lobbying by the ARC and ARTA. Next generation, patronage incentive bus contracts are being finalised for procurement following adoption of a Regional Public Transport Plan later in 2009.

The rail service contract with Veolia has been extended to 2014, which secures the international expertise of this company to contribute to a smooth transition period while electric trains are being introduced to the Auckland network.

Rail timetables were improved and additional capacity provided at peak capacity pinch points following the introduction of new SA trains 15,16 and 17 in October.

Planning for the transport component of the Rugby World Cup reached an important milestone with the presentation of the transport feasibility assessment to regional politicians in December. Negotiations are progressing between ARTA and RNZ2011 Ltd for match ticket allocation to cover the majority of special event public transport costs for Auckland Rugby World Cup matches.

A tender has been completed for rideshare (car pooling) software in preparation to implement this on the MAXX website to provide a further transport option alternative for people.

Major road works for the Central Connector and the Vector Network Upgrade project required bus stop relocations and route diversions to accommodate the works and mitigate anticipated congestion and delays. Communication to customers and the general public for major road works for the Central Connector and the Vector Network Upgrade project included:

- Over arching regular messages on buses, posters and in the NZ Herald
- Targeted suburban print media and radio with information on specific disruptions
- Signage in bus stops and messages on VPIDs
- MAXX Ambassadors handing out flyers and information at all affected stops
- Presence on MAXX and Vector websites with icon on homepage

Good customer communications and carefully designed service changes have proven largely successful in avoiding cumulative delays to bus services in the proximity of Britomart, Quay St and Lower Albert St. The situation on Symonds St is being closely monitored to minimise the impact of delays.

The rollout of a centralised customer feedback management system has been completed across all bus and rail operators.

The hours of operation of the MAXX contact centre have been extended for 2009. The Contact Centre is now open from 6am - 9pm Monday to Friday, 7am to 8pm Saturday and 8am - 6.30pm Sunday and public holidays.

A Christmas campaign to encourage Aucklanders to do their Christmas shopping using public transport was launched on 1 December 2008. The campaign featured bus, print and online advertising, as well as a printed guide distributed to 140,000 household letterboxes showing the best ways to get around the key shopping areas in the Auckland region by bus, train and ferry. 2,500 competition entries were received, which is a very high response for a campaign of this type.

ARTA released a complete set of cycle maps, covering the whole of the Auckland Region. These maps provide a complete inventory of dedicated cycle infrastructure in the region along with the recommendations of Cycle Action Network cyclists on the best choice of local streets for cycling. This project received sponsorship from the Ministry of Health and the final maps include a panel on the health benefits of cycling.

A Walking School Bus promotion, "Men on the Move" was undertaken in collaboration with AMI insurance. The promotion aims to help build volunteer numbers by encouraging more Walking School Bus fathers to become involved.

## 9 FINANCIAL REPORTS

### 9.1 Income statement

<b>Auckland Regional Transport Authority</b>						
<b>INCOME STATEMENT</b>						
NZD '000  December-08	YEAR TO DATE			FULL YEAR		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Reforecast Dec 08	Variance Fav/(Unfav)
<b>OPERATING REVENUE</b>						
ARC Opex Grants	46,760	48,502	1,742	95,916	99,847	3,931
NZTA Opex Grants	50,312	50,664	352	100,967	102,894	1,927
Other Grants and Subsidies	652	655	3	1,305	1,306	1
Rail Fare Revenue	8,939	9,101	162	19,000	18,741	(259)
Bus Fare Revenue	1,775	2,022	247	3,962	3,987	25
Ferry Wharf Revenue	963	934	(29)	1,928	1,873	(55)
Other Sundry Operating Income	6	96	90	12	164	152
<b>Total Operating Revenue</b>	<b>109,407</b>	<b>111,974</b>	<b>2,567</b>	<b>223,090</b>	<b>228,812</b>	<b>5,722</b>
<b>OPERATING EXPENDITURE</b>						
Human Resource	6,645	6,421	224	13,622	13,377	245
Prof Services - Project Delivery	3,300	2,904	396	7,005	6,579	426
Prof Services - Customer Services	4,080	4,305	(225)	8,120	8,384	(264)
Prof Services - Others	1,869	1,655	214	2,984	3,865	(881)
Support Services	1,350	1,352	(2)	2,700	2,716	(16)
Materials	230	48	182	500	206	294
Printing and Office	857	551	306	1,703	1,322	381
Communications	187	93	94	367	206	161
Information Systems	338	239	99	915	813	102
Bus Contract	55,013	56,585	(1,572)	111,332	116,053	(4,721)
Rail Contract	30,064	30,275	(211)	60,525	61,863	(1,338)
Ferry Contract	3,010	2,154	856	6,113	5,155	958
T A Level Crossing				2,800	231	2,569
Staff Time Cost	(150)	-	(150)	(2,790)	(2,614)	(176)
Other Expenditure	2,365	1,162	1,203	4,212	4,160	52
Depreciation	7,604	7,882	(278)	13,944	16,451	(2,507)
Investigations Expenditure	1,029	3,827	(2,798)	1,029	4,047	(3,018)
<b>Total Operating Expenditure</b>	<b>117,791</b>	<b>119,453</b>	<b>(1,662)</b>	<b>235,081</b>	<b>242,814</b>	<b>(7,733)</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(8,384)</b>	<b>(7,479)</b>	<b>905</b>	<b>(11,991)</b>	<b>(14,002)</b>	<b>(2,011)</b>

## 9.2 Statement of Financial Position

Statement of Financial Position									
As at 31 December 2008									
	June 08 \$000s	ARTA				June 08 \$000s	ARTA		
		Dec-08 \$000s	Jun-08 \$000s	Movement \$000s			Dec-08 \$000s	Jun-08 \$000s	Movement \$000s
<b>Liabilities</b>					<b>Assets</b>				
<b>Current Liabilities</b>					<b>Current assets</b>				
Trade payables	8,087	7,034	8,087	(1,053)	Cash and cash equivalents	148	325	148	177
GST payable	184	259	184	75	Trade receivables	467	396	467	(71)
Employee benefit liabilities	855	1,243	855	388	GST receivable	0	0	0	0
Income in advance	3,076	5,078	3,076	2,002	Accrued income	11,498	9,329	11,498	(2,169)
Accrued expenditure	34,740	23,108	34,740	(11,632)	Prepayments	14	474	14	460
Transport grants payable	18,802	16,686	18,802	(2,116)	Inventories	3,096	2,475	3,096	(621)
<b>Total current liabilities</b>	<b>65,744</b>	<b>53,408</b>	<b>65,744</b>	<b>(12,336)</b>	<b>Related party receivables</b>				
<b>Non-current Liabilities</b>					Operating account	38,562	30,920	38,562	(7,642)
Transport grants payable	9,880	9,880	9,880	0	Transport grants	18,802	16,686	18,802	(2,116)
Deferred tax	4,935	4,935	4,935	0	<b>Total current assets</b>	<b>72,587</b>	<b>60,605</b>	<b>72,587</b>	<b>(11,982)</b>
<b>Total non-current Liabilities</b>	<b>14,815</b>	<b>14,815</b>	<b>14,815</b>	<b>0</b>	<b>Non-current assets</b>				
<b>Total liabilities</b>	<b>80,559</b>	<b>68,223</b>	<b>80,559</b>	<b>(12,336)</b>	Property, plant & equipment	186,090	217,861	186,090	31,771
<b>Equity</b>					Intangible assets	22,254	22,075	22,254	(179)
Accumulated funds	5,164	6,001	5,164	837	<b>Related party receivables</b>				
Capital grants reserve	205,088	236,197	205,088	31,109	Transport grants	9,880	9,880	9,880	0
<b>Total equity</b>	<b>210,252</b>	<b>242,198</b>	<b>210,252</b>	<b>31,946</b>	<b>Total non-current assets</b>	<b>218,224</b>	<b>249,816</b>	<b>218,224</b>	<b>31,592</b>
<b>Total equity and liabilities</b>	<b>290,811</b>	<b>310,421</b>	<b>290,811</b>	<b>19,610</b>	<b>Total assets</b>	<b>290,811</b>	<b>310,421</b>	<b>290,811</b>	<b>19,610</b>

### 9.3 Statement of Cashflows

<b>Statement of Cash Flows</b>		
<b>For the Period Ended 31 December 2008</b>		
<b>Full Year Ended 30 June 2008</b>		<b>Year to Date</b>
<b>\$000</b>		<b>\$000</b>
	<b>Cash flows from operating activities</b>	
	Cash was provided from:	
66,415	ARC Opex grants	56,144
57,533	ARC Capex grants	36,568
26,545	ARC funding for IA grants vested in ARTA	2,116
5,028	LTNZ Capex grants	3,083
84,963	LTNZ Opex grants (excl. GST)	52,192
1,333	Other Grants and Subsidies	2,643
16,573	Rail Fare revenue	9,552
3,322	Bus Fare revenue	2,029
1,471	Ferry Wharf revenue	919
623	GST	74
150	Other Sundry Operating income	149
263,956		165,469
	Cash was applied to:	
169,822	Payments to Suppliers (excl. GST)	117,668
10,521	Payments to Employees	6,033
26,251	Payments to recipients of IA grants vested in ARTA	2,116
0	GST	0
206,594		125,817
<b>57,362</b>	<b>Net Cash from Operating Activities</b>	<b>39,652</b>
	<b>Cash Flows from Investing Activities</b>	
	Cash was provided from:	
0	Realisation of Other Investments	0
0	Proceeds from Sale of Intangible Assets	254
0		254
	Cash was applied to:	
57,537	Purchase and Development of Fixed Assets	39,729
0	Purchase and Development of Intangible Assets	0
0	Other Investments	0
57,537		39,729
<b>(57,537)</b>	<b>Net Cash applied to Investing Activities</b>	<b>(39,475)</b>
	<b>Cash Flows from Financing Activities</b>	
	Cash was provided from:	
0	Increase in loans	0
	Cash was applied to:	
0	Repayment of Loans	0
<b>0</b>	<b>Net Cash from Financing Activities</b>	<b>0</b>
<b>(175)</b>	<b>Net (Decrease)/Increase in Cash &amp; Investments Held</b>	<b>177</b>
323	Cash & Investments Balances at Beginning of the Period	148
<b>148</b>	<b>Cash &amp; Investments Balances at the End of the Period</b>	<b>325</b>
	<b>Cash &amp; Investments Balances Consist of:</b>	
0	Bank Overdraft	0
148	Cash	325
0	Short Term Investments	0
<b>148</b>		<b>325</b>



## 9.4 Capital Statement

<b>Auckland Regional Transport Authority</b>					
<b>2008/2009 CAPITAL STATEMENT</b>					
NZD '000	YEAR TO DATE			FULL YEAR	
	December-08	Budget	Actual	Variance Fav/(Unfav)	Dec 08 Reforecast
<b>CAPITAL REVENUE</b>					
ARC Capex Grants	40,499	35,214	(5,285)	78,520	85,337
NZTA Capex Grants	7,682	3,495	(4,187)	12,951	13,038
IA Grant Funding		713	713	424	
<b>Total Capex Revenue</b>	<b>48,181</b>	<b>39,423</b>	<b>(8,759)</b>	<b>91,895</b>	<b>98,375</b>
<b>CAPITAL EXPENDITURE</b>					
Interim Rolling Stock - (SA Trainsets 15-17)	11,960	4,425	7,535	5,261	11,960
Interim Rolling Stock - (SA Trainsets 18-23)	9,291	13,030	(3,739)	23,500	25,324
Western Line Duplication - Stage 3 - Avonda	117	101	16	322	363
Western Line Duplication - Stage 4	450	801	(351)	865	930
Newmarket Remodelling	3,150	9,669	(6,519)	19,403	6,000
Rail Infrastructure Safety Works	925	267	658	1,299	949
Interim Maintenance Depot & Storage	530	750	(220)	1,223	2,000
Capex Renewals (Rolling Stock)	4,030	2,234	1,796	7,588	9,912
Multi Modal Passenger Info System	150	(0)	150	427	500
Real Time Buses (P0)	0	527	(527)	903	0
Real Time Buses (P1 & 2)	929	400	529	1,455	1,455
Real Time Buses (P3 & 4)	1,988	1,651	337	1,999	3,185
Integrated Ticketing	8,661	1,350	7,311	8,576	8,661
Ferry Terminal Upgrades - Bayswater	770	178	592	811	1,862
Ferry Terminal Renewals - Stg 1 Dwntrwn	1,656	1,142	514	2,902	1,656
Ferry Terminal Renewals - Other - Detail D	0	2	(2)	100	100
Ferry Terminal Renewals - Other - HMB	0	0	0	450	450
Ferry Terminal Renewals - Other - P3 & P4	0	0	0	450	450
Ferry Terminal Upgrade Beach Haven	0	30	(30)	201	1,800
Ferry Terminal Upgrade Half Moon Bay	0	63	(63)	63	600
Ferry Terminal Upgrade Birkenhead	0	46	(46)	1,500	1,500
Ferry Terminal Renewals	0	0	0	430	430
ARTNL Fitout Costs	0	0	0	0	300
Marketing Implementation Plan	340	38	302	150	1,393
Helensville/Huapai	575	486	89	486	800
Station Upgrades (Ellerslie, Middlemore & Morningside)	1,238	900	338	4,883	4,883
Business Support	0	6	(6)	145	150
Manukau City Rail Link	125	104	21	474	2,000
Britomart Transport Centre Renewals	0	0	0	0	840
Western Line Duplication - Stage 5	227	5	222	400	800
Cycling (wharves)	30	0	30	0	200
Onehunga (Dart 19)	120	1	119	411	1,500
Station Renewals	0	0	0	250	500
New Lynn Rail Station	931	767	164	1,622	2,000
Extension of Fibre Optic Cable	0	0	0	50	600
Ticket Machines for Interim Integrated Ticket	0	0	0	0	435
Electrification	0	0	0	2,098	
Route Scheduler	0	0	0	1,000	
Ferry Terminal IA Grant - Washup	0	0	0	193	
Pier 1 Glass Wall	0	5	(5)	5	
<b>Capital Expenditure</b>	<b>48,192</b>	<b>38,977</b>	<b>9,215</b>	<b>91,895</b>	<b>96,487</b>
<b>IA Grant Funded Capital Expenditure</b>					
Ferry Terminal Upgrade - Beach Haven, Half Moon Bay, Gulf Harbour, Downtown	0	246	(246)	0	0
Middlemore Station	0	5	(5)	0	0
Papakura Station	0	250	(250)	0	0
	0	501	(501)	0	0
<b>Grand Total Capital Expenditure</b>	<b>48,192</b>	<b>39,478</b>	<b>8,714</b>	<b>91,895</b>	<b>96,487</b>

## 9.5 Summary of Financial Performance for 6 months to 31 December 2008

### OPERATING RESULTS – HALF YEAR:

The budget for the half year ended 31 December 2008 is based on the 2008/09 funding agreement.

#### Revenue

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

**ARC Opex Grants** \$1.7m and **NZTA Opex Grants** \$4.0m are more than budget due to expenditure variances as explained below.

**Rail Fare Revenue** is higher than budget by \$0.2m as a result of better than expected growth of passengers, linked to the high fuel prices in the early months of the financial year and a higher average fare per passenger than budgeted.

**Bus Fare Revenue** is higher than budget by \$0.2m due to higher than planned bus patronage on routes where ARTA receives the fare revenue.

**Ferry Wharf Revenue** represents revenue from ferry operators and commercial rentals for the ferry terminals previously operated by ARTNL. This is currently tracking to budget.

#### Expenditure

**Human Resources** is \$0.2m less than budget mainly due to lower than budgeted spend on recruitment (due in part to a first quarter recruitment freeze) and staff training and travel.

**Professional Services – Project Delivery** is \$0.4m less than budget mainly due to delays in commissioning consultants to work on projects in this area caused by delayed key staff appointments as a result of the first quarter recruitment freeze. It is forecast that professional fees phased for the second half of the financial year will be spent but this first half amount of the budget will remain underspent resulting in a \$0.4m favourable variance at the end of the financial year.

**Professional Services – Customer Services** is \$0.2m more than budget due to the costs associated with the introduction of the super gold card (however, there is a corresponding recovery of these unbudgeted costs at 100% from NZTA to offset this), costs associated with the Passenger Transport Management Bill and the resulting changes to the customer services procurement project and unbudgeted service tender costs.

**Professional Services – Other** is \$0.2m less than budget mainly due savings in planning, marketing and information associated with timing of the rugby world cup feasibility study, delays caused by no NZTA funding approval for special events travel planning and the use of in-house, as opposed to outsourced, graphic design resources.

**Materials** is \$0.2m less than budget mainly due to vacancies in the travel planning area resulting in less school travel planning resources and fewer marketing timetables than originally budgeted.

**Printing and Office Supplies** is \$0.3m less than budget due to less resources being required to date for Travel Demand Management marketing projects and promotional activities.

**Information Systems** is \$0.1m less than budget due to less support work required on customer services databases and significantly lower software development costs for the real time system than anticipated.



**Communications** is \$0.1m less than budget due to lower costs than budgeted for the real time server monthly support fees and lower costs for marketing campaigns communications and staff cell phones.

**Bus contract** is \$1.5m more than budget as a result of higher inflation being incurred for the North sector, higher tertiary and senior concession claims and costs associated with SuperGold Card implementation (which are off set by higher NZTA revenue).

**Ferry contract** is \$0.9m less than budget as a result of cancelled operator negotiations for Half Moon Bay and Bayswater, special events services and savings on tertiary concessions towards the end of the calendar year.

**Rail Contract** is \$0.2m more than budget due to increased costs for fuel over the winter months, additional costs for the Newmarket shuttle bus and increased ACC levy costs. This is partially offset by an under spend in station services where the original budget was based on historical Auckland Regional Transport Network Limited projections.

**Other Expenditure** is \$1.2m less than budget mainly due to less advertising by the marketing department and small savings and less than anticipated miscellaneous expenditure on things like general repairs and maintenance and vehicles.

**Investigations Expenditure**, which relates primarily to the Electrification project, is \$2.8m more than the approved budget for 2008/09. ARTA's original budget for Investigations in 2008/09 was \$5.6 million. This was reduced by the ARC to \$1.8 million (a reduction of \$3.8 million) in June 2008 due to uncertainty about the fuel tax scheme. Subsequently, the Government approved the fuel tax, and ARTA progressed the project on the understanding that the project budget would be reinstated at the half year, as discussed with ARC officers. ARTA's expenditure to date is in line with the original budget.

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

Net Operating Deficit is \$7.5m for the half year, this is less than budget due to the phasing of assets capitalised out of work in progress.

### **CAPITAL RESULTS:**

#### **Revenue**

Capex Revenue is \$8.8m less than budget for the half year. This represents grants received for capital expenditure that are recorded as assets on the balance sheet.

#### **Expenditure**

Capital Expenditure for the quarter is \$8.7m less than budget. This variance is mainly due to:

- Rolling Stock Projects are \$8.6m less than budget for the half year period due to cost efficiencies gained on train sets 15-17. Of this, a provision of \$3 million for spare parts for these train sets will be transferred to opex and an underspend of \$5.6 million is forecast.
- Newmarket Station remains within budget but spending in the half year reporting period is \$6.5 million higher than forecast due to the project being ahead of schedule.

- Other Project Delivery Projects are \$1.1m less than budget due to:
  - delays in the upgrade of Morningside station due to resource constraints;
  - restricted access to the Papakura lift site and;
  - delays in completion of the concept and/or detailed design for Khyber Pass, Onehunga, and New Lynn stations.
- Other non-rail capital projects are \$8.5m less than budget due to:
  - Delay to the start of the Integrated Ticketing detailed design until scope and ARC funding are confirmed;
  - Delays associated with further roll out of the real time system while prototypes are trialled;
  - Slower than budgeted progress on ferry terminal upgrades at Downtown and Bayswater due to the greater complexity of remedial work required than was known at the time of the budget.

## STATEMENT OF FINANCIAL POSITION

The key features of the movement in the Statement of Financial Position for the half year ended 31 December 2008 are:

### Current Liabilities

Total **trade payables** has decreased by \$1.0m and **accrued expenditure** has decreased by \$11.6m for the quarter mainly due to the holidays in December incurring less cost than the June half year.

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

### Current Assets

**Accrued income** is \$2.2m lower than June 2008 due to the holiday period falling in this first half of the financial year.

The **Inter-company** account represents monies owed from ARTA to ARC or from ARC to ARTA.

### Long Term Assets

**Fixed Assets** represents the amounts spent on capital expenditure. The net additions for the quarter were \$31.6m.

### Equity

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

### Statement of Cash Flows

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

## ARTA ADMINISTRATION COSTS

Expenditure Category	ARTA 08/09 Draft Budget - Full Year	December YTD - Plan	December YTD - Actual	Variance against YTD Budget	Remainder
	\$	\$	\$	\$	\$
Board	498,500	237,825	236,551	1,274	261,949
Human Resources	12,798,019	6,332,199	5,925,887	406,312	6,872,132
Shared Services	3,530,000	1,909,490	1,585,977	323,513	1,944,023
IT Projects	650,000	382,034	245,347	136,687	404,653
Sundry Expenditure	153,000	153,000	94,618	58,382	58,382
<b>Total</b>	<b>17,629,519</b>	<b>9,014,548</b>	<b>8,088,380</b>	<b>926,168</b>	<b>9,541,139</b>

Headcount based on 137

The above table shows ARTA Administration costs are \$8.1m for the half year ending 31 December 2008; \$0.9m favourable to budget.

The Human Resources line is \$0.4m favourable as salaries have been under spent due to the recruitment freeze in the first quarter.

Shared Services is \$0.3m favourable due to a delay in recognition of some IT capital not yet billed to ARTA by ARC.

IT Projects is \$0.1m favourable due to a timing difference in the actual use of consultants.

Sundry Expenditure is \$0.1m favourable due to small under spends on printing and stationery, vehicle/car parking and general expenses across the organisation.

## ARC FUNDING CATEGORIES

### ARC Funding CAP - OPEX

Activity Class	Budget 08/09 \$000	ARC Operating Funding 2008/09 (Original) \$000	ARC Funding to 31 December 2008 \$000	Balance available for Jan - Jun09 \$000	% variance
1 – Corporate Support	3,674	2,896	1,527	1,369	47%
2 – Board	499	374	177	196	53%
3 – Professional Services	17,406	8,703	4,090	4,613	53%
5 – Paratransit	4,031	2,005	1,167	838	42%
6 – Sustainable Transport	4,770	1,366	335	1,031	75%
7 – Marketing Information and Real Time	5,894	2,034	903	1,131	56%
9 – Integrated Ticketing	0	0	0	-	
10 – Investigations	1,810	1,718	4,271	(2,553)	-149%
11 – Rail Contract	66,563	19,022	11,361	7,661	40%
12 – School Buses	9,402	4,701	2,321	2,380	51%
13 – Concessionary Fares	9,585	4,793	2,147	2,645	55%
14 – North Contracts	31,263	13,651	6,859	6,792	50%
15 – West Contracts	12,347	6,173	3,041	3,133	51%
16 – West/Isthmus Contracts	12,951	6,476	3,325	3,151	49%
18 – Isthmus Contracts	7,468	3,734	1,797	1,938	52%
19 – South Contracts	22,665	11,324	5,491	5,834	52%
20 – Other Contracts	1,014	889	226	663	75%
21 – Ferry Contracts	6,113	3,057	1,077	1,979	65%
22 - Ferry Maintenance	2,327	200	0	200	100%
23 - Rail Level Crossings (TA)	2,800	2,800			
<b>TOTAL ARC OPEX FUNDING</b>	<b>222,582</b>	<b>95,916</b>	<b>50,115</b>	<b>43,001</b>	<b>46%</b>

ARTA claimed 54% of its annual budget allocation for the half year to 31 December 2008.

Sustainable transport is favourable due to vacancies in the travel planning area resulting in fewer resources and grants paid to schools for the first half of the year and no expenditure on the travel behaviour change project this financial year.

Investigations is \$2.5m unfavourable year to date largely due to the costs of the concept design stage of the electrification project exceeding the original budget estimate.

Rail contract is more than budget for the half year mainly due to the higher fuel costs in first quarter, and increase in the ACC levy and unbudgeted costs for the Newmarket shuttle services.

Other contracts is significantly under spent for the half year to date due to no use of the contingency amounts attributed to service improvements as a result of 09/10 budget constraints.

Ferry contracts is less than budget due to a provision for negotiations with ferry operators not being required.

## ARC Funding CAP - CAPEX

Activity Class	Budget 08/09 \$000	ARC Operating Funding 2008/09 (Original) \$000	ARC Funding to 31 December 2008 \$000	Balance available for Jan - Jun09 \$000	% Variance
2 - Interim Rolling Stock	37,284	37,284	17,454	19,830	53%
3 - ARTNL- Fitout Costs	300	300	0	300	100%
4 - Western Line Duplication Stg 4	930	930	801	129	14%
5 - Newmarket	6,000	6,000	9,669	-3,669	-61%
6 - Rail Rolling Stock Refurbishment	9,912	9,912	2,234	7,677	77%
7 - Western Line Duplication Stg 3	363	363	102	261	72%
8 - Minor Safety Improvements	0	0	0	0	
9 - Real Time Passenger Information System	5,140	2,416	1,019	1,397	58%
10 - Integrated Ticketing & Machines	9,096	4,275	636	3,639	85%
11 - Interim Rolling Stock - Depot and Storage	2,000	2,000	751	1,249	62%
12 - Passenger Transport Capital Infrastructure	1,593	749	15	734	98%
14 - Ferry Terminal Upgrades & Renewals	8,848	4,198	591	3,607	86%
16 - Helensville/Huapai	800	800	486	314	39%
17 - Business Support	150	150	6	144	96%
18 - Rail Infrastructure Safety Works	949	949	268	681	72%
19 - Station Upgrades	4,883	4,883	906	3,977	81%
20 - Manukau City Rail Link	2,000	2,000	104	1,896	95%
21 - New Lynn Rail Station	2,000	2,000	767	1,233	62%
22 - Britomart Transport Centre	840	840	0	840	100%
23 - Western Line Stage 5	800	800	5	795	99%
24 - Onehunga Dart 19	1,500	1,500	1	1,499	100%
25 - Station Renewals	500	500	0	500	100%
26 - Fibre Optic Cable	600	600	0	600	100%
28 - Oncosts and Contingency	0	0	0	0	
22 - IA Grant Funding Projects & Prjt Boston	0	0	140	-140	
<b>TOTAL ARC CAPEX FUNDING</b>	<b>96,488</b>	<b>83,449</b>	<b>35,958</b>	<b>47,492</b>	<b>57%</b>

ARTA's capex programme for the December half year shows 43% of the annual budget spent in the first six month period.

Delays in integrated ticketing due to uncertainty over scope and funding, station infrastructure design timing differences and savings on the contract costs for train sets 15 – 17 are largely offset by the acceleration of physical works at Newmarket station.

