

ARTA ANNUAL REPORT 2009 – THE JOURNEY

THE JOURNEY

- 
- 1973** "Robbie's rapid rail", electrified rail and underground CBD rail loop proposed by Mayor Dove-Meyer Robinson
 - 1976** Plans cancelled
 - 1993** Government sells NZ Railways to private operator
 - 1993-2000** TranzRail underinvests in Auckland rail system
 - 1995** Auckland Bus Priorities Initiative launched
 - 1996** Link bus service introduced in CBD
 - 1998** First dedicated bus lanes in Sandringham and New North roads
 - 1999** Disused Auckland Railway Station converted to flats
 - 2000** Government and ARC buy back Auckland rail assets from TranzRail
 - 2003** Britomart Station opens, first refurbished trains in service
 - 2004** Connex (Veolia) contracted to run rail services, ARTA is formed to implement the Auckland Regional Land Transport Strategy
 - 2004** North Western Cycleway opened, double tracking of the Western Line begins (Project Boston)
 - 2006** Upgrade of Spaghetti Junction motorway corridor complete
 - 2007** The first integrated Auckland Transport Plan
 - 2008** Northern Busway opens, 40% tertiary discount fares introduced, SuperGold Card introduced for free senior travel, free public transport integrated into events and leisure tickets
 - 2009** Highest patronage of public transport since 1985 with rail up 97% in past five years, 21 rail stations upgraded, customer satisfaction with public transport reaches 84%, SH20 extension opens, real time bus information at high priority stops

2010

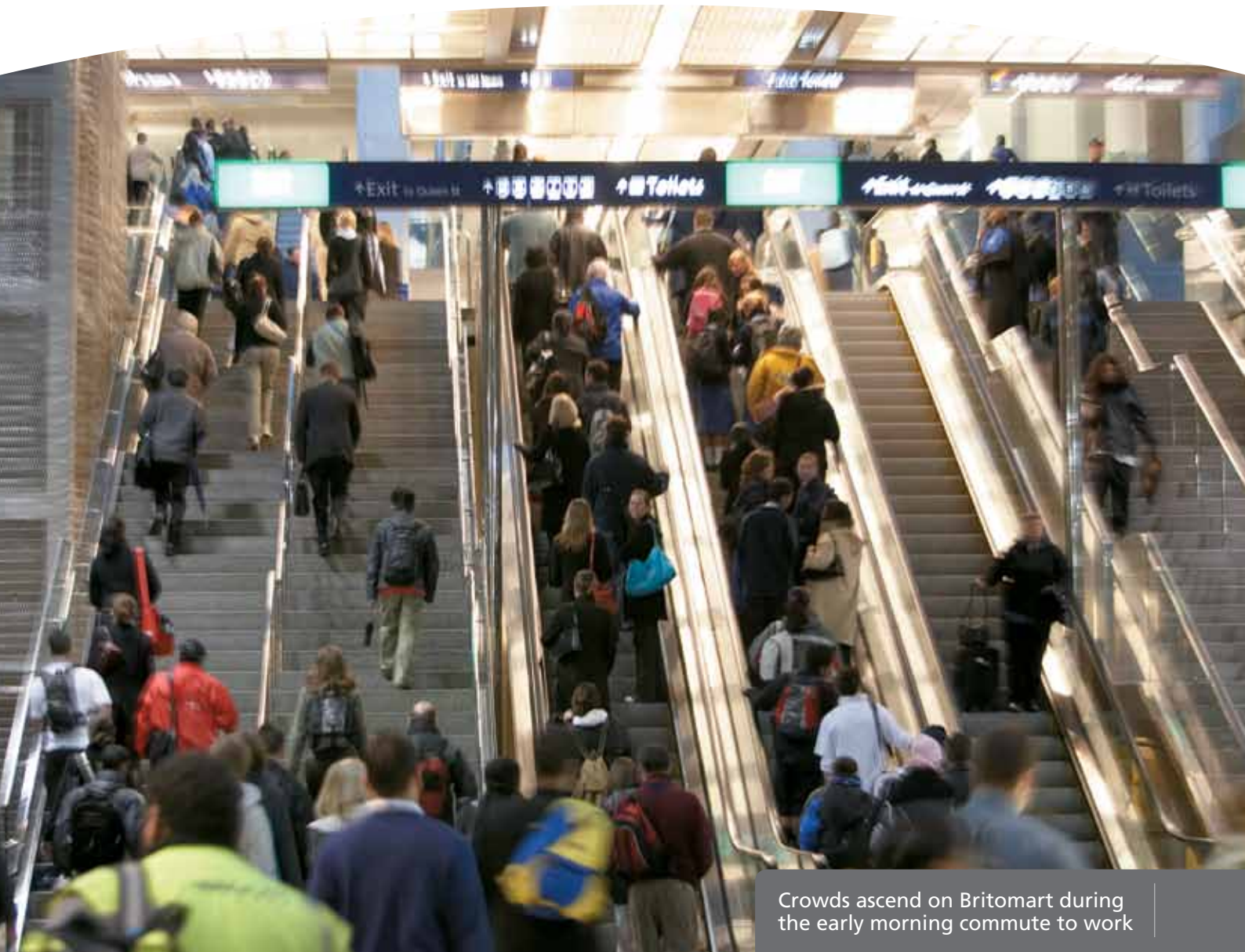
New stations due to open at Newmarket and New Lynn, Kingsland Station upgraded, integrated smartcard ticketing, Central Connector completed, extra Manukau Harbour crossing completed, Newmarket Viaduct replaced

2011

Rugby World Cup sees 75% of ticket-holders get to matches using public transport, taxis or on foot, Victoria Park Tunnel constructed

2012 onwards

Electric trains purchased and rail lines electrified, train line to airport, completion of the Western Ring Route, completion of the regional cycle network, additional Waitemata Harbour crossing built, Auckland-Manukau Eastern Transport Initiative (AMETI) completed, CBD underground loop tunnel built, extension of Northern Busway to Silverdale



Crowds ascend on Britomart during the early morning commute to work



The smart route to commute

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“7.7 million trips were taken on Auckland’s trains last year – the highest number since records began in 1955. Rail usage has risen by 97% over the past five years.”



Ellerslie train station: Rail commuters choose the convenient and relaxing option of catching the train to work

SUCCESS STORIES

ARTA is Auckland's central transport agency and is responsible for the integrated planning, funding and implementation of transport, including arterial roads, throughout the Auckland region.

RECORD NUMBERS OF AUCKLANDERS GET ON BOARD PUBLIC TRANSPORT.

In 2009, public transport patronage has been higher than in any year since 1985. Customers took 58.6 million trips on the region's buses, trains and ferries, a 7.7% increase in just one year.

In 2004, ARTA was formed as the country's first stand alone regional transport authority, with a mandate to solve Auckland's transport challenges. After decades of underinvestment, our five years of planning and actions towards an effective, integrated network are bearing fruit.

This year, 2009, we can say with confidence that not only are we working for Auckland's transport needs, but substantial progress has been made in getting Auckland's transport to work for us, for all Aucklanders.

Here's more proof:

TRAIN TRIPS

7.7 million trips were taken on Auckland's trains last year – the highest number since records began in 1955. Rail usage has risen by 97% over the past five years.

REASONS:

- **More trains, more often.** With the double tracking of the Western Line almost complete, trains run every 15 minutes at peak times, and five to six trains run an hour at peak times on the Southern and Eastern lines. Services increased from 635 per week in 2005 to 1,475 in 2009, with 49 carriages added to the network.
- **More punctual.** In March 2005 only 76.6% of trains arrived on time. This figure steadied at over 85% for most of 2009.
- **Better stations, better trains.** 21 of the 41 stations on the network have been upgraded over five years. Six train carriages have been fitted this year with new seating, carpet and upgraded air conditioning.

BUS TRIPS

The Northern Express bus service last year carried 1.5 million customers on the new dedicated busway, which is 55.8% more customers than the year before, and a phenomenal 138% growth in two years. At peak times, services run every three minutes, which is the best frequency ever in Auckland. The Northern Express success is only one of the reasons bus patronage has grown 10.2% in five years.

OTHER REASONS:

- **40% tertiary discount fares.** After the discount fare was introduced, student travel on public transport rose 75.5% over the previous year.
- **Free travel for senior citizens.** The SuperGold Card was introduced in October 2008 for senior citizens to travel free after 9am on weekdays, all weekend and on public holidays. In just six months, 2.3 million trips were taken.
- **Redesigned Botany/Manukau/Howick services.** Simplified routes within these areas and to the CBD have resulted in a 60% increase in patronage – for just a 1.4% increased investment.
- **New services to Sylvia Park.** Patronage is up 31%.
- **Airport Airbus changes.** A simpler route and cheaper fares, more services, integrated ticketing with the Northern Express, plus a new service from Manukau to the airport, have increased patronage by 13.5%.



FERRY TRIPS

Pine Harbour and West Harbour ferry trips increased in the past year by 20% and 24% respectively.

REASONS:

- Subsidies from ARTA enabled the operators of these routes to purchase new ferries and increase services during weekdays.
- Bus services feeding into ferry timetables were also promoted.

CUSTOMER SATISFACTION

Customer satisfaction with public transport has risen from 71% in 2005 to 84% in 2009.

REASONS:

- **Customer-driven.** At every step of the journey by train, bus or ferry, we've focused on improving customers' experience. Longer opening hours of the MAXX Contact Centre, real time information, more ticket retail outlets and customer awareness campaigns are just a few of the many customer-centric changes we've implemented. (See page 35 for more details).
- The **MAXX Contact Centre**, run by the ARC, won three prizes at the 'Contact Centre World' Asia Pacific finals in June 2009: second in the Best Contact Centre category, first in Contact Centre Recruitment Campaigns and runner up for the Best Contact Centre Leader. The Contact Centre was the only finalist from New Zealand.

More Aucklanders used 'free', special-event public transport to attend concerts and sports events.

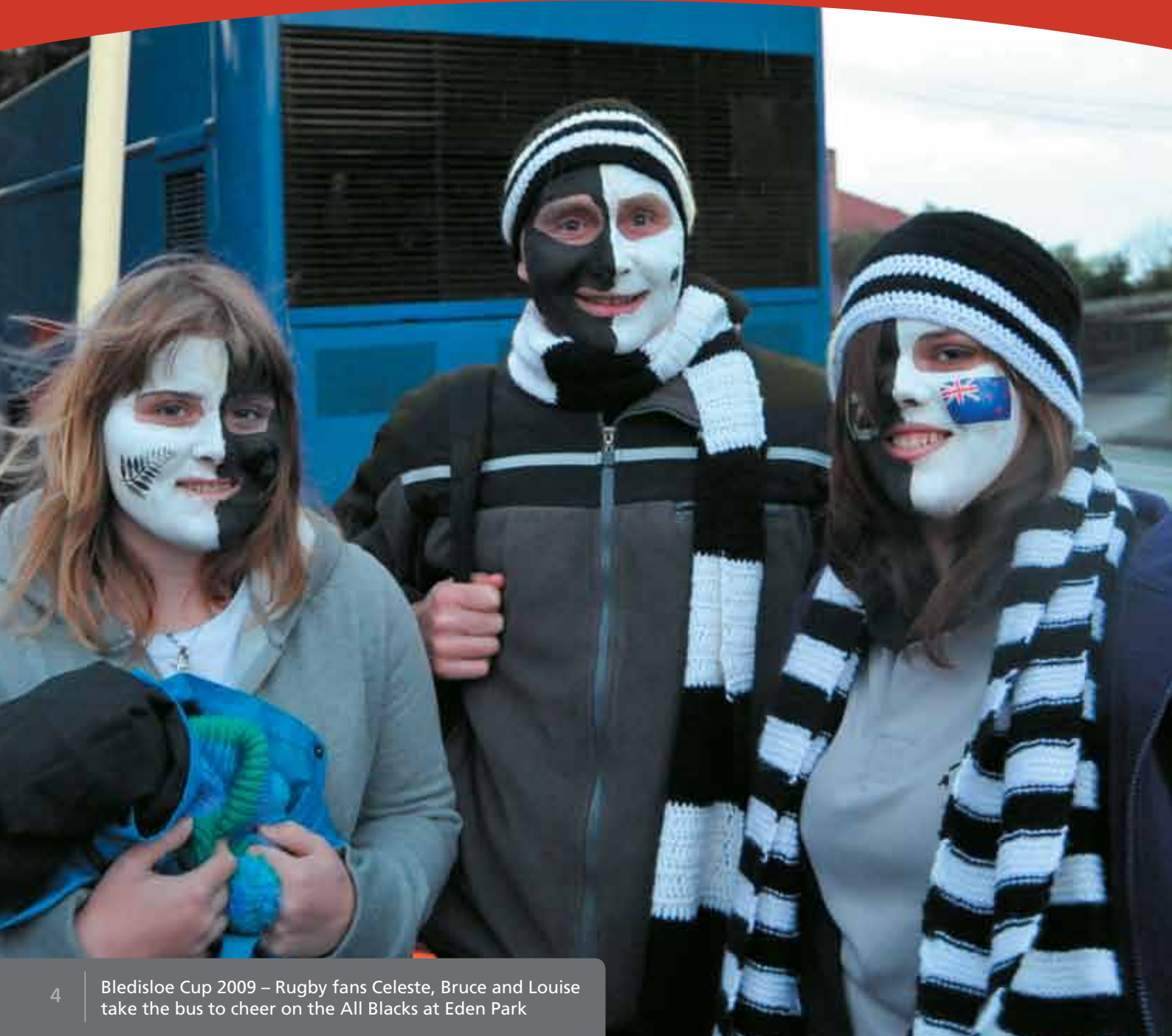
- The sale of tickets to high-attendance sporting and cultural events at Eden Park, Mt Smart Stadium, Vector Arena and North Harbour Stadium inclusive of transport by rail and/or bus is proving highly successful. Integrated ticketing for the 2008 Bledisloe Cup at Eden Park got 36% more fans out of their cars than in the previous year. The Super 14 series in May 2009 saw 13% of fans use public transport.

“Customer satisfaction with public transport has risen from 71% in 2005 to 84% in 2009.”

SUSTAINABLE TRAVEL

More Aucklanders of all generations used more sustainable travel options.

- TravelWise programmes continued to actively promote more travel choices including cycling, walking and carpooling to workplaces and tertiary institutes. There are 6,492 fewer car trips to TravelWise schools and workplaces, well ahead of the regional goal to have 16,100 fewer car trips each morning peak by 2016. See page 44.
- The TravelWise Schools programme, co-ordinated by ARTA, was co-winner in the “Outstanding Community Safety and/or Injury Prevention Initiative” category at the 2008 ACC Community Safety and Injury Prevention awards.



TOTAL MOBILITY

Providing Aucklanders, regardless of their level of mobility, with real transport options.

- ARTA led the country in implementing new national standards for the Total Mobility programme, which helps Aucklanders with disabilities to meet the cost of travel.
- The number of super-low-floor buses in the Auckland fleet grew to 650, of which 527 are wheelchair-accessible. 21 of Auckland's 41 rail stations are now fully accessible, and ARTA has prepared new guidelines to promote best practice design for accessible bus stops.

LOOKING AHEAD

This year, ARTA finalised the 2009 Auckland Transport Plan, which prioritises and coordinates all transport aspirations in the region for the next 10 years. Within that time, the Rugby World Cup will be bringing up to 70,000 international visitors to Auckland. ARTA's major event expert is already dedicated to Rugby World Cup transport planning (see page 20).

In 30 years' time, Auckland's population is predicted to reach two million. Improving journey times and reliability by road, through completion of the strategic roading network and improved management of Auckland's arterial roads, will remain vital to lifting the city's economic performance. But it is impossible to build our way out of congestion by providing more road capacity.

A world-class transport system will need to carry at least 200 million passenger transport trips a year between regional centres, at high frequencies and with reliable travel times.

ARTA's strategic goal is to double the use of public transport journeys by 2016. This year, we made significant progress with our programme of action to provide more effective, efficient and integrated transport links to key business, recreation and education locations. The programme includes:

- new rail stations at Newmarket, New Lynn and Grafton (see page 23)
- reopening the Onehunga branch line (see page 23)
- real time information at bus stops, rail stations and ferry terminals (see page 38)
- planning for the CBD underground rail tunnel (see page 24)
- upgrading the Downtown Ferry Terminal and wharves (see page 25)
- rail electrification (see page 24) and integrated smartcard ticketing (see page 37).



Rabin Rabindran

CHAIRMAN'S FOREWORD

It is my pleasure to be able to report on a very good level of patronage growth for the 2008/09 year of 7.7%, or an additional 4.2 million journeys taken on public transport in the Auckland region against the previous year. A total of 58.6 million journeys were taken in total for the year. This is a very pleasing result.

In the last year, rail carried more than seven and a half million passengers and there have been 1.5 million trips on the Northern Express bus service.

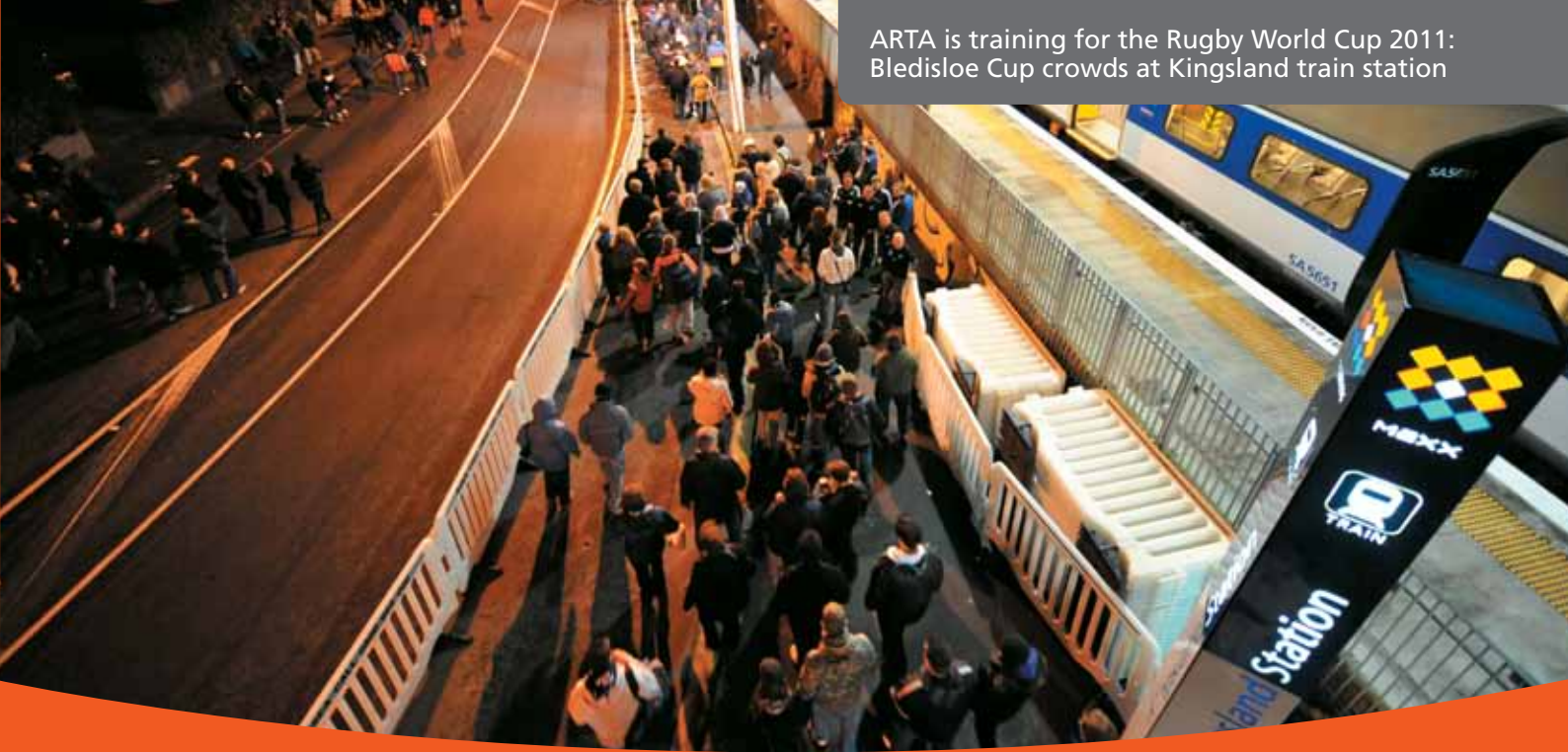
This growth has been achieved in no small part through the sheer hard work and commitment of ARTA staff that I am very proud of. I believe anyone would be hard pressed to find a more passionate or better group of people focused on giving Aucklanders real transport options.

My thanks extend to ARTA's Chief Executive, Mr Fergus Gammie, in leading this team of talented people and to the operators of our buses, trains and ferries with whom we have a close working relationship and cannot do without.

I would also like to thank my predecessor, Mr Mark Ford, who has now moved on to head up the Auckland Transition Agency.

Where there has been investment in public transport, from both the region and the Government, there has been growth. Where there is growth there is economic development and the creation of jobs. We are appreciative to our funders, the Auckland Regional Council (ARC), particularly its Chairman, Mr Michael Lee, the New Zealand Transport Agency (NZTA) and the Government for their support in making our achievements possible.

I must however stress the importance of maintaining the momentum that has been achieved in the transport sector in Auckland. It is integral to the creation of Auckland as a world-class city in a tourism, living and economic sense.



With the Rugby World Cup 2011 in mind, ARTA is focused on delivering an efficient public transport system. The World Cup will be the largest global sporting event for the year, and traffic and transport management will play a crucial role. We are up to these challenges and look forward to delivering a transport solution that not only Aucklanders can be proud of, but all New Zealanders.

Other focuses for ARTA moving forward include progressing the development of a single multi-modal integrated ticket, a key enabler for encouraging more people to make public transport their choice. Auckland's ticket will be the only ticket in the country to include rail, bus and ferry. Next year, two major transport hubs will also be opened in Auckland – Newmarket train station, the second biggest train station on the network, and in the west, New Lynn train station. Both train stations will usher in an era of modern integrated stations, the like of which have not been seen before in New Zealand since the opening of Britomart.

The ARTA Board and I are committed to delivering as good a transport system as we possibly can. We are very proud of the achievements that have been made to date and look forward to the exciting projects in development coming to fruition to deliver transport solutions for the region.

Rabin Rabindran

Chairman

Auckland Regional Transport Authority

CEO'S FOREWORD

2008/09 has been a year of great results. More people have caught buses, trains and ferries than in any year since the mid 1980s.

When fuel prices spiked to the highest levels ever in late 2008, Aucklanders made good use of the options now available to them to get around the city and to keep the economy moving. Since fuel prices settled again, public transport patronage has kept growing, particularly on those parts of the network where ARTA has developed, improved or redesigned services.

While ARTA is focused on the development of high-capacity reliable public transport on major routes, as is befitting the development of the region towards world-class status, ARTA was established in 2004 to plan, fund and develop a successful over-arching transport system for the region. That is the development of a mixed modal solution for Auckland which includes effective roading solutions for New Zealand's most heavily populated city.

An integrated transport system across the city is crucial both for economic reasons and for livability for residents.

It is worthy of note that the greatest beneficiaries of increased public transport usage are road users. Increased public transport usage frees up the road for more efficient freight movements and faster journey times by private vehicles.

In respect of its roading mandate, ARTA is a partner in developing major regional roading projects such as the Auckland-Manukau Eastern Transport Initiative (AMETI) and the next Waitemata Harbour crossing and a partner in the development of a regional strategic freight network which includes highways and major regional arterials

ARTA has also produced the Regional Arterial Road Plan which identifies and prioritises the region's arterial roads for improvement, sets out an action plan for how these roads should be used and improved to ensure people and goods flow safely and efficiently, and to ensure businesses and communities are properly connected.

ARTA is solely responsible for producing the three-year Regional Land Transport Programme (RLTP) which includes the prioritisation of all roading activities in the region which receive a government



Fergus Gammie



subsidy. This includes State highway improvements including all the Roads of National Significance in Auckland. The RLTP prioritises \$4.4 billion worth of transport investment, 72% of which is for roading.

ARTA has also recently produced the Regional Road Safety Plan which, when implemented, will make our roads safer for people to use. The current road toll in economic terms is costing the region more than congestion and is not measurable in terms of human pain and suffering.

As we look forward to the creation of one Auckland Council, some of the organisational boundaries of the past will disappear, but the skills of working together to make it happen for customers will be as important as ever. The delivery of a world-class transport system for Auckland is too important to put on hold for restructuring; ARTA remains firmly focused on building the momentum as we work towards another year of record results.

Such great results come from great teamwork. I am proud to lead a team of dedicated, hardworking Aucklanders from all over the world, who understand what is good about this city and what is needed to make it great.

A handwritten signature in black ink, reading "Fergus Gammie". The signature is written in a cursive, flowing style.

Fergus Gammie

CEO

Auckland Regional Transport Authority

THE ROYAL COMMISSION ON AUCKLAND GOVERNANCE

Two years ago, a process began to restructure the way Auckland is governed. Concerns were growing that local government arrangements in Auckland were not meeting the challenges of urban growth. A 'super city' was proposed. How Auckland's transport needs are best delivered has been widely debated as part of the proposed changes.

OCTOBER 2007 A Royal Commission on Auckland Governance was established.

MARCH 2009 The Commission released its report, which called for bold changes to regional governance in time for the October 2010 local government elections.

The report recommended establishing a single, region-wide unitary authority, called the Auckland Council, to replace the ARC and existing city/district councils. The new Council would be a two-tier model, with one mayor and 23 councillors (including three Maori representatives) and six elected local councils. The proposed Council would have one long-term council community plan, one district plan and one rating system.

A new Regional Transport Authority (RTA) would replace ARTA, and become a Council-controlled Organisation reporting to the Auckland Council. It would work in partnership with the NZ Transport Agency and ONTRACK and be responsible for regional transport and arterial roads.

MAY 2009 On 23 May, the Local Government (Tamaki Makaurau Reorganisation) Act 2009 was passed. An Auckland Transition Authority (ATA) was formed to affect the changes required in time for next year's elections. The Authority's Chair is former ARTA Chair and Watercare CEO Mark Ford.

JULY-AUGUST 2009 The ATA heard submissions from the public on proposed changes to regional governance.

SEPTEMBER 2009 The ATA, in consultation with the Government, is due to finalise details of the regional governance reorganisation, including the new Regional Transport Authority structure.



OUR VISION – WHERE WE ARE HEADED

A WORLD-CLASS TRANSPORT SYSTEM THAT MAKES AUCKLAND AN EVEN BETTER PLACE TO LIVE, WORK AND PLAY.

REGIONAL STRATEGIES – HOW WE'RE GOING TO GET THERE

GROWING AUCKLAND

The transport system will support regional growth and economic development strategies by linking Auckland's main urban centres with a fast, frequent and reliable Rapid Transit Network, comprising an electrified rail system and the Northern Busway.

MOVING AUCKLANDERS

One ticket will take you anywhere in Auckland, on a seamless network of bus, train and ferry services. Aucklanders will be in the habit of quickly checking the options for their trip before leaving home, and will be able to choose between a quality public transport service, safe walking and cycling routes, and predictable car journey times.

SUSTAINING COMMUNITIES

Aucklanders will make safe, healthy and sustainable travel choices. People who do not have access to a car will still have access to employment, education, health, commercial and recreational opportunities.

OUR VALUES – THE PRINCIPLES THAT DEFINE HOW WE WORK

OPEN

BEING HONEST, RESPECTFUL AND TRANSPARENT,
AND COMMUNICATING CLEARLY.

RESPONSIVE

BEING COMMITTED TO DELIVERING CUSTOMER
AND COMMUNITY NEEDS.

FOCUSED

GETTING THE RIGHT RESULTS AT THE RIGHT TIME;
REAL AND SIMPLE.

COLLABORATIVE

WORKING TOGETHER IN PARTNERSHIP,
RECOGNISING AND SHARING SUCCESS.

VISIONARY

INSPIRING CREATIVITY AND INNOVATION
THROUGH FORWARD-LOOKING LEADERSHIP.



“Improvements to services and changes to fares have resulted in significant growth in the past year.”



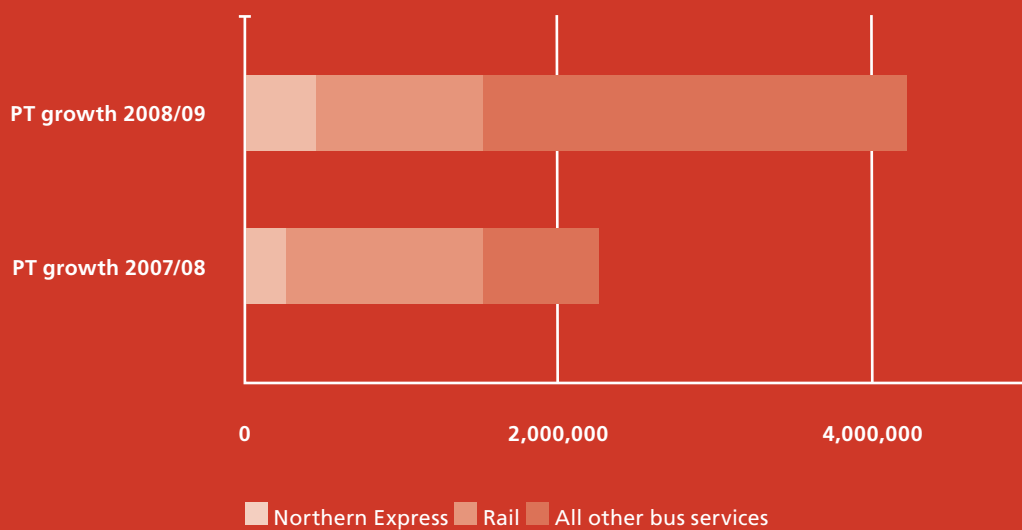
CONTINUOUS IMPROVEMENT TO SERVICES

This year, 58.6 million trips were taken on Auckland’s buses, trains and ferries – an increase of 7.7%, and the highest public transport patronage since 1985.

Outcome	Performance Measure	07/08 Result	08/09 Target	08/09 Result
Total PT patronage growth	Total PT patronage increases by 1.7%	54,405,000	55,318,000	58,621,000 7.7%

IMPROVEMENTS TO BUS SERVICES DRIVE GROWTH

Bus travel accounts for almost three-quarters of all public transport patronage. There has been an important shift in the nature of public transport patronage growth in the past year. Growth in the Rapid Transport 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.



Improvements to services and changes to fares have resulted in significant growth in the past year. Patronage on the Northern Express increased 55.8%. Patronage of other services using the busway also grew. Travel on the Hibiscus Coast Express was up 27%.

Service improvements boosted travel on bus services other than the Northern Express by 9.1%. Other services that experienced double digit growth were Mt Eden Road (up 56%), Routes 008 and 009 to Sylvia Park (up 31%), Airbus Express (up 13.5%), the redesigned 680 and 681 Botany to CBD routes (up 47%) and redesigned routes within Botany, Howick and Manukau (up 15% within the first two months).

NORTHERN EXPRESS REACHES CAPACITY IN ONE YEAR

The Northern Express has proved so popular that additional peak capacity was added in both October 2008 and March 2009, taking the frequency to every three minutes, with 88 buses using the busway in the morning peak.

In order to manage demand, ARTA held a special promotion in March, with MAXX ambassadors at stations drawing busway customers' attention to alternative options. Improvements to feeder services have also helped to increase patronage.

The 8.4km Northern Busway along the Northern Motorway corridor – the first road in New Zealand purpose-built for buses – has won several awards in the past year. The first stage won the Shell Bitumen Excellence Award for a Major Roading Project and the Roading New Zealand Supreme Award. The completed busway won the Construction Projects over \$2 million at the Ingenium Excellence Awards.

RESULT: The Northern Express carried 1.5 million customers, which is 55.8% more than the year before, and a 138% growth in two years.

BOTANY GETS BETTER SERVICES

Howick & Eastern Buses operates extensive timetabled services from the south-east to the Auckland city centre, Manukau city centre and Manurewa.

ARTA and the bus company carried out extensive consultation throughout Manukau City, which resulted in simplified routes and the introduction of new Botany local and Manukau Crosstown services. The new network came into being in February 2009 and has 11 routes instead of the previous 20, making it easier to understand. It has improved connections to rail and local destinations including Manukau Institute of Technology, Botany Town Centre and the Highbrook employment area.

The redesigned Botany to CBD routes 680 and 681 replaced Route 68.

RESULT: 60% growth in bus patronage in Howick/Botany for a 1.4% higher subsidy.



"I often go into Botany Town Centre to do my shopping and I like to sit and relax and look at the roads and different places along the way. When you're driving you don't see the surroundings so it's lovely to be driven." Shirley Rankin from Mission Heights.

SERVICE TO THE AIRPORT EXPANDED

In June 2008, the hard-to-miss, bright blue Airbus Express commenced a simpler route with lower fares and improved frequency from Auckland city.

From September, passengers headed to the airport from the North Shore could buy an integrated ticket linking the Northern Express to the Airbus Express at Britomart.

An airport to Manukau service, the '380 Manukau Airporter' linking to train connections, began in October.

RESULT: Patronage on the Airbus Express service has increased by 13.5%.

REDESIGN OF WEST AUCKLAND, SOUTH-WEST RODNEY AND WESTERN BAYS

A preliminary redesign of the local and key corridor bus service network was completed in November 2008, with Waitakere City Council and local operators. The redesign is intended to create a local, comprehensive, legible bus network that's integrated with the rail network. A similar redesign of bus services in Western Bays went out for public consultation early in 2009, following discussions with Auckland City Council and operators.

REVIEW OF POOR PERFORMING SERVICES

ARTA has put in place a twice-yearly programme and system for regular review of patronage on existing services, with the aim of rationalising those that are underperforming.

The review process is triggered by minimum patronage levels at peak and off-peak times.

In the first review, 10 services were identified as having low patronage. The first set of proposed rationalisations was consulted on during March and April and changes implemented in June 2009.



IMPROVEMENTS TO TRAIN SERVICES

Rail continues to make an important contribution to overall patronage growth, up 12.6% on last year. More than half of this growth was on the Western Line, where 15-minute services were introduced in peak times from July 2008, due to double tracking work and more carriages. Southern Line services have also increased to 10-minute peak frequencies.

The rail service contract with Veolia has been extended to 2014.

RESULT: 15-minute services were introduced on the Western Line from July 2008.

IMPROVEMENTS TO FERRY SERVICES

Ferry patronage has been in decline the past two years, largely due to fare increases on some routes. This decline has been halted by increases to Gulf Harbour services and by promotion of free travel for SuperGold Card holders. Additional evening services to and from Devonport were also added by Fullers last year. Additional services from Half Moon Bay were considered but were not affordable within the current budget.

PINE HARBOUR AND WEST HARBOUR

Residents on the outer reaches of the Waitemata Harbour have the best of both worlds: tranquility and ease of travel into the city. The ferry services run by Pine Harbour and Belaire ferries take about 35 minutes. ARTA subsidises these services, which has enabled both companies to buy an additional ferry in the past year and increase the number of weekday trips.

RESULT: In the past year, 20% more trips taken between Pine Harbour and Auckland, and 24% more trips between West Harbour and Auckland.



"For me to drive in rush hour would take an hour at least. The ferry journey takes 32 minutes give or take. I've made friends, it's a little social club really, it's very enjoyable, very relaxing."
Jon Huxley from Beachlands.

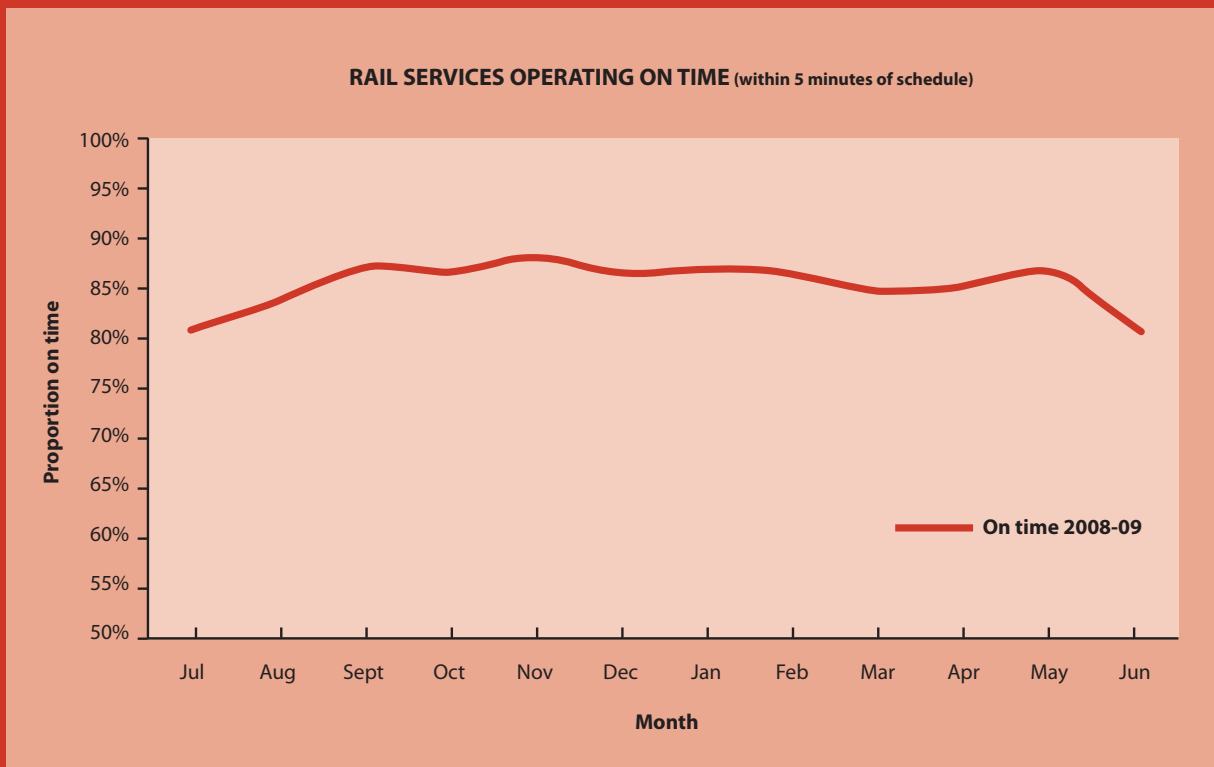
RELIABLE SERVICES DRIVE GROWTH

ARTA's Statement of Intent sets targets for the percentage of services on the Rapid Transit Network that are reliable and punctual (see performance measures on page 57). Service reliability is a key factor in growing patronage on the network.

The Western Line has lower targets than the Southern/Eastern lines because of continued double tracking work. The ongoing rail upgrade programme, including new stations at Newmarket and New Lynn, will continue to affect the reliability of services until the work is complete. Other issues such as signalling and points failures, train mechanical faults and accidents have undermined reliability of train services, particularly in June 2009.

Despite this, delays due to infrastructure faults fell by May 2009 to their lowest level in three years and the proportion of services arriving on time or within five minutes of schedule remains above the targets set in ARTA's Statement of Intent.

The Northern Express provides an exceptionally reliable service, with 98.6% of buses arriving early or within five minutes of schedule.



CASE STUDY – RUGBY WORLD CUP

With up to 70,000 international visitors coming to Auckland for the Rugby World Cup in 2011, and four billion television viewers, this event is the city's greatest opportunity to shine.

Success requires a team effort and ARTA's position in the squad (otherwise known as the regional steering group) is to deliver on public transport and traffic needs.

Most of our visitors will be expecting to use a seamless public transport system from the airport, to Eden Park matches and for sightseeing around the city. We have three main projects to finalise before then: designing plans for traffic and transport operators, introducing integrated ticketing for all public transport, and upgrading Kingsland rail station.

In 2008, ARTA hired a super event expert, Bruce Barnard, to develop and deliver the detailed transport and traffic plan for the region. Fresh from similar jobs in Melbourne during both the 2006 Commonwealth Games and the 2007 World Swimming Championships, Bruce is aiming for a twin legacy in Auckland: to prove that the city is capable of staging major events and to make planning for such events easier in future.

When the ref's final whistle blows at the Rugby World Cup, 60,000 fans will be on the move. Bruce's transport plan has a train carrying 1,000 passengers departing Kingsland Station every five minutes for 75 minutes, while Morningside will cater for up to 1,500 fans. \$5 million is being spent on Kingsland Station to widen and lengthen both platforms, and improve access to the northern platform by building a pedestrian underpass and extra stairs over the railway tracks.

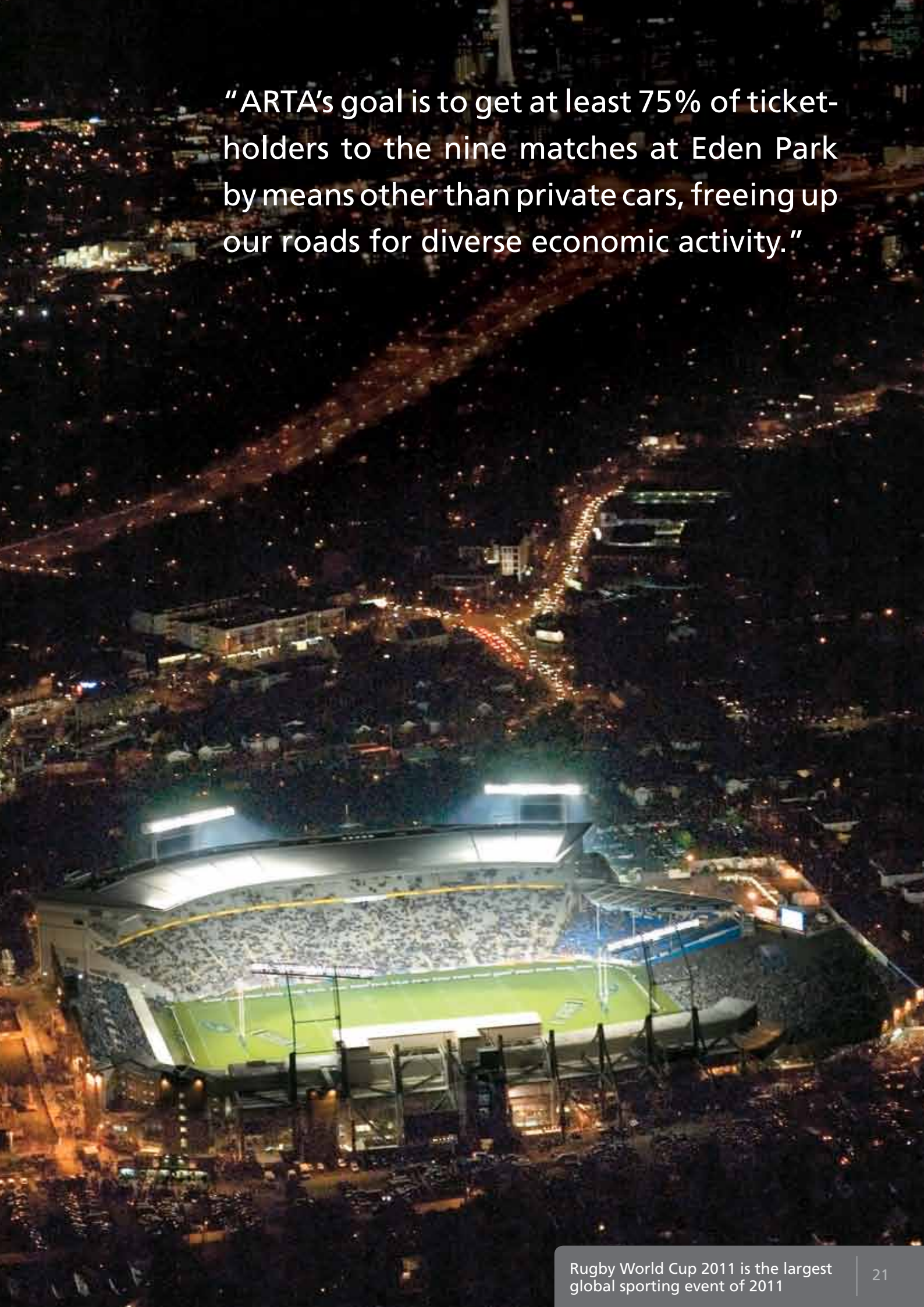
ARTA's goal is to get at least 75% of ticket-holders to the nine matches at Eden Park by means other than private cars, freeing up our roads for diverse economic activity. That goal includes locals, not just international visitors. In 2007, only 2% of fans used public transport, taxis or walked. This year, 36% left their cars at home for the Bledisloe Cup match. Special event services provided free with match tickets have been a great incentive and will continue to be offered for major sporting and other cultural events through to the World Cup final.



*Bruce Barnard,
Super event expert*



Kingsland Station



“ARTA’s goal is to get at least 75% of ticket-holders to the nine matches at Eden Park by means other than private cars, freeing up our roads for diverse economic activity.”

“Over the past five years, 21 of the 41 rail stations on the Auckland network have been upgraded.”



DEVELOPING AUCKLAND'S TRANSPORT INFRASTRUCTURE

Target	07/08	08/09 Target	08/09 Result
% of RTN customers rating stops/stations and vehicles as good, very good or excellent is improved despite major construction works	82% stops and stations 93% vehicles	83% stops and stations 94% vehicles	90% stops and stations 94% vehicles

TRAIN STATIONS – NEW AND UPGRADED

Eight new stations are in various stages of planning and construction.

- New Lynn and Newmarket (see page 26) to replace the old stations. The final detailed design for the New Lynn rail station and bus interchange is complete and cost estimates are under way.
- A detailed design for a completely new station (called Grafton Station) serving Auckland and AUT universities and Auckland Hospital, is complete. KiwiRail is doing piling and bridge works on site.
- Locations of stations on the soon-to-be reopened Onehunga Line at Penrose, Mt Smart, Te Papapa and Onehunga were approved in October 2008. The detailed designs for Te Papapa and Penrose were completed in July 2009, and the Onehunga design is progressing well.
- The location of the Manukau Station has been agreed and the concept design is substantially complete. KiwiRail is undertaking piling work on the rail trench walls over winter, followed by excavation of the piled walls over summer.

Two further stations are likely to result from planning for a CBD underground rail tunnel. The underground loop is projected to run from Britomart under Albert Street and come out on the Western Line in Mt Eden. The two new stations may be at Aotea Square and K'Road. This project was initiated by ARTA, and we are now supporting KiwiRail over the next 18 months to identify and protect the route. KiwiRail has the authority to designate changes to the District Plan that will protect the route on maps until funding is available to construct it.

Over the past five years, 21 of the 41 rail stations on the Auckland network have been upgraded. In preparation for the Rugby World Cup, both Morningside and Kingsland stations are being upgraded. Detailed design of the pedestrian underpass at Kingsland Station started in June 2009. The upgrade of station facilities at Morningside was completed in June. For more details on RWC preparations, see the case study on page 20.

This coming year, ARTA will also begin working with KiwiRail to protect the rail route to the airport.

Detailed design is also under way for Avondale Station's upgrade and the outlined plan of works has been submitted to the Auckland City Council.

CHANGES TO THE RAIL ELECTRIFICATION PROJECT

Auckland has great potential to move more people and freight on its under-utilised rail corridors. The efficiency of an electrified system will enable ARTA to maximise the infrastructure that is already in place. Electric trains are not only faster and cleaner, they are quieter and cheaper to run than diesel ones.

In December 2008, ARTA called for Expressions of Interest (EOI) for the supply of a new fleet of 140 electric trains for Auckland. The EOI process closed in February and four potential suppliers were short listed.

In March 2009, the Government cancelled plans to introduce a regional fuel tax, part of which was intended to pay for the trains. It gave an undertaking instead to pay for the \$1 billion project and add the trains to KiwiRail's fleet. The formal tender process, scheduled for May, has been delayed.



CASE STUDY: PROGRESS ON FERRIES

The Downtown Ferry Terminal is the hub of the Auckland region's passenger ferry services. The terminal was built on top of wharves that are over 100 years old. Although the population of Auckland was quadrupling at the turn of the last century, there were still only about 180,000 residents. Wharf designers could not have foreseen a city in which over 4.4 million journeys each year would be taken by ferry.

The undersides of these historic piers have become corroded by a combination of environmental toxins such as chlorides and sewage leaks, structural overloads and through design and construction flaws. The piers now require substantial repairs to their structural fabric. These repairs are necessary to maintain them in a safe condition and extend their working life.

ARTA took over responsibility for the Downtown Ferry Terminal infrastructure in October 2007. We had a choice of making patch repairs to the wooden and concrete sub-structures, which would last for only about five years, or funding more substantial partial rebuilds. The latter option would last over 20 years.

When work began on Piers 1 and 2, the extent of the damage was greater than anticipated. More funds were required. These were approved by the NZ Transport Agency and work is going ahead in three stages, through to mid-2010. Less urgent renewal works are also being carried out to the underside of the pedestrian promenade between Pier 2 and Princes Wharf. Tenders have been received for the design of renewals to Piers 3 and 4.

Several improvements to passenger facilities at the Downtown Ferry Terminal were also completed last year, including a glass wall enclosure and ports operations office on Pier 1, a canopy on Pier 2 and construction of a link bridge between the two piers.

Improvements were also made to the Half Moon Bay and Gulf Harbour passenger facilities.



Restoring Auckland's historic ferry wharves

CASE STUDY – A NEW STATION FOR NEWMARKET

Newmarket has a thriving retail and commercial heart. Its rail station is the city's second busiest after Britomart and a key junction in Auckland's rail network. As rail patronage increased rapidly, keeping the trains running smoothly through this junction became a challenge because the track layout created a bottleneck. A major redesign was required.

The station closed in January 2008 to allow for both track realignment and construction of a large, modern station that will reconnect to the heart of Newmarket's CBD.

The new station design includes an entranceway on Remuera Road that serves as a focal point to attract commuters. It leads to a glass-surrounded link bridge that transports commuters to a high-roofed atrium-like main station concourse, which is covered by a 'floating roof canopy', supported on elegant columns. Commuters will access the two island platforms by lifts, stairs or escalators. There will be shelter, seating, lighting and signage along the entire 180 metre length of the platform.

The two-year rebuild is exciting and challenging, requiring major works in a tightly confined and busy space. Work began in earnest on 20 August 2008. By Christmas, the first milestone was reached. Crews worked night and day for three weeks over the holiday period, relaying tracks and the foundations for the new Remuera Bridge. They continued work on the main concourse, the pedestrian link bridge and the Remuera Road entrance.

Since then, work has progressed ahead of schedule. The eastern side has taken shape and the station's high roof steel work has been erected. The northern side of the Remuera Road Bridge has been demolished to allow for new bridge piling. During the rebuild, passengers are using temporary stations at Newmarket West and South. The 1908 station will be relocated, possibly to Parnell as a working heritage gateway to the Auckland Museum.

FAST FACTS:

- Cost: \$48 million
 - Partners: KiwiRail, Auckland City Council, ARTA, ARC, Newmarket Business Association
 - Design: Opus International Consultants
 - Construction: Hawkins Construction.
- Work carried out by KiwiRail over Christmas/New Year:
- » 5km of track lifted and over 7km of new track laid
 - » More than 600 people worked around the clock
 - » More than 50 excavators and 100 trucks were on site
 - » Over 50,000m³ of dirt were excavated out of the rail corridors in less than a week
 - » 10,000m³ of ballast were put back in
 - » 10,000 sleepers were laid.



BUS INFRASTRUCTURE

CENTRAL CONNECTOR WORK CONTINUES

The Central Connector busway will provide quicker, more efficient travel between the CBD and Newmarket via key locations such as Auckland Hospital and The University of Auckland. It is crucial to linking into the Northern Busway at Britomart and connecting future bus improvement projects on Great South, Manukau and Remuera roads. It will also complement the rail network by providing a travel option to Britomart and Newmarket stations.

Improved cycle and pedestrian facilities are also part of the project, which began in April 2008. An estimated 2,600 bus journeys, and 65,000 passengers are expected to use the route between Newmarket and the CBD each weekday.

The connector includes:

- dedicated 24-hour bus lanes with safe cycle passing
- new bus stops at key locations
- improved traffic signals and new pedestrian crossings
- improved street lighting
- new and improved bus shelters and bike stands.

Grafton Bridge was closed to vehicles in October 2008 to allow for strengthening work. Construction is under way in Park Road between Grafton Bridge and Khyber Pass Road, and Symonds Street between Karangahape Road and Waterloo Quadrant. The Park Road stage of the project is due to be completed in September 2009.

PROGRESS ON AMETI

The Auckland-Manukau Eastern Transport Initiative (AMETI) aims to emulate the success of the Northern Busway, by creating a rapid transport corridor from Botany through Pakuranga to Panmure, linking up to the rail station at Panmure. ARTA is working with local councils to designate the extra land required for the route, and on road designs.

PLANS TO EXTEND THE NORTHERN BUSWAY

Long-term plans for the Northern Busway are to extend it north in two stages. The first stage is from Constellation to Albany; the second stage is from Albany to Silverdale. ARTA is working with the NZ Transport Agency on land designation and protection until funds are available for construction.



The Northern Busway: A North Star bus service flies past cars on a congested motorway during morning peak

AN INTEGRATED APPROACH TO TRANSPORT

GROWTH AND ECONOMIC CHALLENGES

By 2036, Auckland's population will swell to two million. This projected growth is one of two key drivers underlying the need for an integrated approach to transport planning in the region – one that encompasses State highways, arterial and local roads as well as public transport solutions.

The second key driver is economic. We need to support and strengthen the transport links between Auckland and neighbouring regions with which we have close economic ties. By 2036, the gross domestic product (GDP) of Auckland, Northland, Waikato and the Bay of Plenty is expected to generate 60% of the country's GDP.

Finishing the work already under way on Auckland region's State highways – such as the Western Ring Route and replacing Newmarket Viaduct – will provide a complete alternative route from south to north that bypasses central Auckland and greater capacity within the region. Together with a better integrated public transport network, this State highway work frees up our congested arterial and local roads for freight, commercial and other trips that cannot be made by public transport.

The regional arterial road network plays an important role in distributing goods and services within the region. While comprising only 4% of the length of the total roading network it carries 18% of all freight and commercial journeys, and almost half of all bus trips and 15% of all peak-hour travel.

PLANS TO PRIORITISE SOLUTIONS

ARTA completed work on three integrated transport planning documents this year: the Auckland Transport Plan (ATP), the Regional Land Transport Programme (RLTP) and the Regional Arterial Road Plan (RARP).

The ATP, released in June 2009, is a multi-mode, multi-billion dollar 'big picture' plan, setting out around \$16 billion of work over the next ten years.

The RLTP, also released in June, prioritises over 950 projects worth \$4.36 billion over the next three years, compared to only around 300 projects in previous plans. For the first time, this detailed programme of action includes State highways, as a result of legislative changes. ARTA is involved with State highway projects but does not manage them.

“The projected cost of upgrading the regional arterial network is around \$4 billion.”



The RARP, released in February 2009, defines the role of regional arterial roads, provides a framework for the integrated management of these roads and provides a robust basis for prioritising projects. Regional arterial road maintenance forms an important part of ARTA's role.

The ARLTS defines regional arterial roads as those that: "link districts or urban areas within the region and connect regionally significant facilities", and those which "link the region to other regions or connect to strategic facilities such as the port or airport". This definition and a set of principles were used to determine which roads are regional arterials.

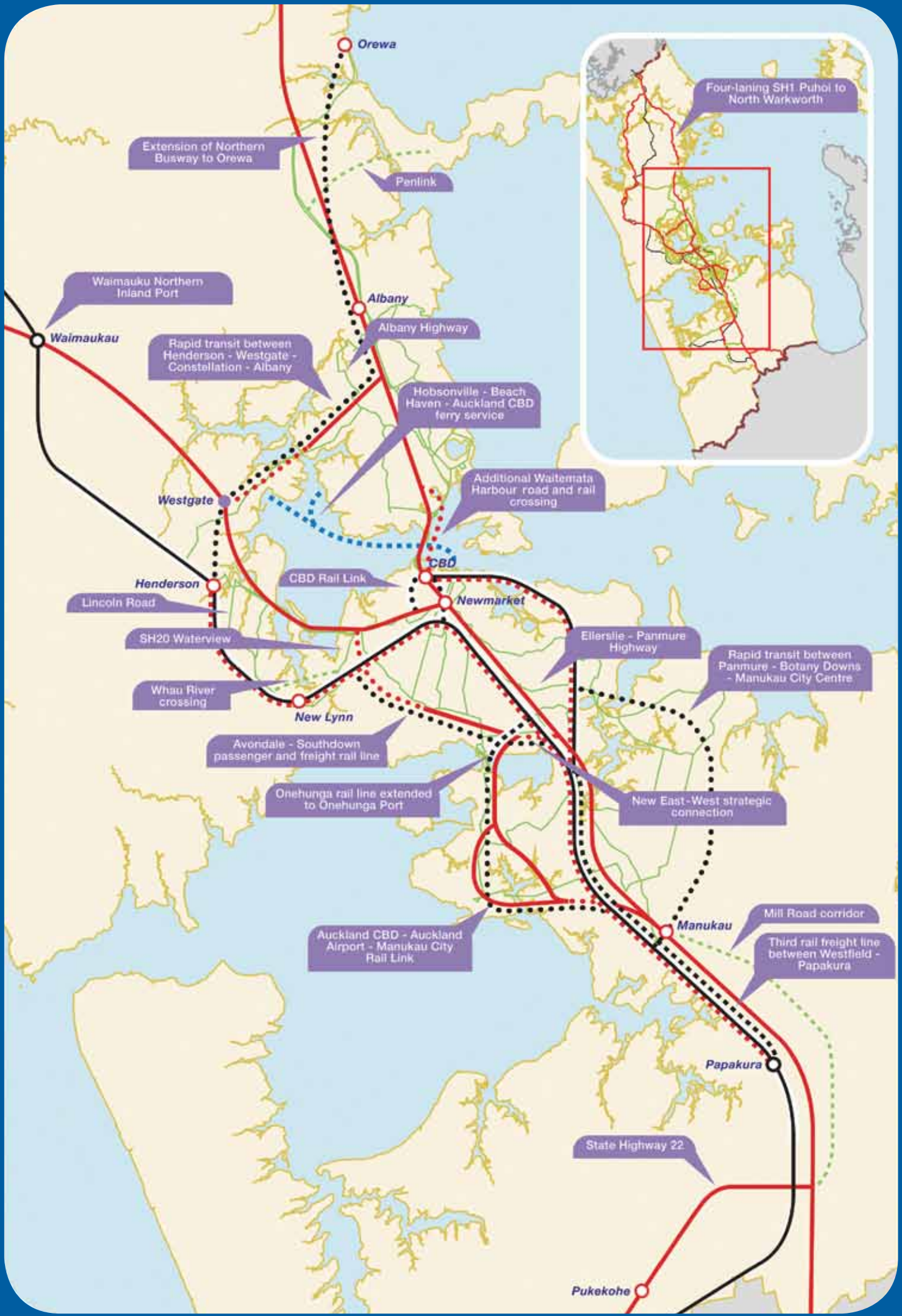
The projected cost of upgrading the regional arterial network is around \$4 billion. This reflects the high cost of road widening.

KEY PROJECTS

These three plans identify the following as key roading projects to integrate Auckland's transport systems:

- the multi-modal Auckland-Manukau Eastern Transport Initiative (AMETI)
- completion of the Western Ring Route, connecting State Highway 1 from Manukau through Waterview and Hobsonville to Albany, as a complete alternative route from south to north
- replacing Newmarket Viaduct with a new structure that will add a fourth southbound lane on the motorway between Gillies Avenue and Greenlane
- construction of a northbound tunnel beneath Victoria Park to increase the capacity of the Northern Motorway between the Auckland Harbour Bridge and Wellington Street
- an additional Waitemata Harbour crossing
- construction of Penlink to the Whangaparaoa Peninsula
- New Lynn local roads to integrate with the new transport interchange and Manurao road-rail overbridge to accommodate town centre redevelopment
- 12 arterial roads in the Auckland region, on stretches of: Great North and Great South roads, Ti Rakau Drive, Lincoln Road, Neilson/Church streets, South-Eastern, Ellerslie Panmure and Albany highways; and Redoubt/Mill roads.

Highway construction work is already under way on the Newmarket Viaduct, the Hobsonville deviation, the Manukau Harbour crossing and the State Highway 20 to State Highway 1 connection.



Extension of Northern Busway to Orewa

Penlink

Waimauku Northern Inland Port

Waimauku

Rapid transit between Henderson - Westgate - Constellation - Albany

Albany

Albany Highway

Hobsonville - Beach Haven - Auckland CBD ferry service

Additional Waitemata Harbour road and rail crossing

Westgate

CBD

CBD Rail Link

Henderson

Lincoln Road

SH20 Waterview

Whau River crossing

New Lynn

Avondale - Southdown passenger and freight rail line

Onehunga rail line extended to Onehunga Port

Newmarket

Eilerslie - Panmure Highway

Rapid transit between Panmure - Botany Downs - Manukau City Centre

New East-West strategic connection

Auckland CBD - Auckland Airport - Manukau City Rail Link

Manukau

Mill Road corridor

Third rail freight line between Westfield - Papakura

Papakura

State Highway 22

Pukekohe



Four-laning SH1 Puhori to North Warkworth



“This year, 84% of customers rated the public transport network as good, very good or excellent.”

A CUSTOMER-CENTRIC APPROACH

Customer satisfaction with the public transport network has risen from 71% to 84% in five years.

ARTA and its service operators are focusing on placing the customer at the centre of the public transport journey. At every stage from planning a journey through to disembarking we listen and continue to listen to what customers want.

Passengers have had to exercise more patience while the infrastructure for a more efficient network is being constructed. Despite the ongoing work, our surveys show a steady increase in satisfaction with the public transport network.

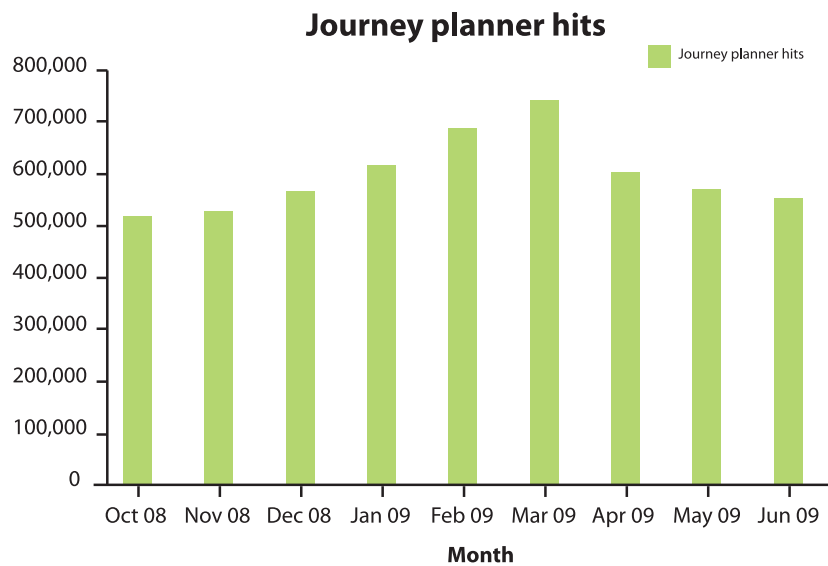
In the year to May 2009, 84% of customers rated the network as good, very good or excellent.

Ferries were rated positively by 91% of survey respondents, trains by 82% and buses by 81% of respondents.





- Visits to the maxx.co.nz interactive journey planning website have seen a significant increase, with a peak of over 746,267 in March 2009. The journey planner has been promoted through a number of channels.
- Opening hours of the Contact Centre were extended this year on both weekdays and weekends.
- MAXX is the regional public transport brand for Auckland. This year, the brand has expanded to produce MAXX News, bringing customers quarterly updates on improvements to bus, train and ferry services, travel tips, competitions, contact information and reminders about discount fares and public consultation on our plans.
- Train timetables have been improved and bus routes simplified, following customer consultation.



- We have ensured good communications about major infrastructure works requiring bus relocations and route diversion – on buses, posters, NZ Herald, suburban media, bus stops, websites and by having MAXX ambassadors on hand to redirect customers.



- A link bridge was constructed between Piers 1 and 2 at the Downtown Ferry Terminal and opened in January 2009.



- There are now over 80 retail outlets authorised to sell student discounted tickets.
- There are five new Star Mart ticket agencies in the central city, and the Britomart ticket office has extended its opening hours.
- Planning for an integrated smartcard ticket across the network is in progress. With integrated smartcard ticketing, customers will require only one ticket to use the range of bus, train and ferry options in the region. Electronic smartcard tickets will make it faster for passengers to get on and off.



- The installation of 150 'Type 1' real time passenger information units at high-use bus stops across the region is complete. Two prototype CHS Metro-i real time, solar powered information signs were trialled at lower use bus stops and proved successful. The next step is to install up to 200 of these units throughout the region.
- Plans for a multi-modal system to provide real time information at rail stations and ferry terminals are well under way. Tenders were called from suppliers of systems and equipment, the funding and approval to proceed was granted in May, and ARTA is reviewing the proposals with the Greater Wellington Council (to leverage off their similar project) with the expectation of purchasing a system in October. Real time displays will start rolling out in November, firstly at Britomart then throughout the network in 2010.
- This year, PA announcements at train stations have been enhanced. During disruptions a dedicated disruption response team has been based at Britomart. We have also increased the provision of public announcement and on-board staff to inform customers about planned disruptions and engineering works.
- Waiting times across the network have decreased due to an increase in scheduled services.
- At bus stops, customers can text their bus number, located on the pole, to 3666 and find out when the next bus is due.
- Improved safety signage has been installed on all trains. There are additional signs in carriages plus black and yellow bands on the interior and exterior of door edges to prevent passengers getting their arms caught in closing doors.
- In late 2008, improvements to waiting facilities for up to 20 passengers at Half Moon Bay, in the form of a boardwalk canopy and shelter, have provided much needed protection from wind and rain.
- At the Downtown Ferry Terminal a new canopy and glass wall provide similar shelter.
- 21 out of 41 rail stations have been upgraded in the past five years.



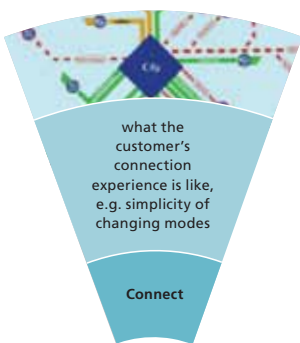
- Ritchies and NZ Bus have made a major investment in ongoing driver training programmes and vehicle safety to ensure their network delivers reliable, convenient and comfortable transport for customers.
- The MAXX brand is being added to the exterior of all buses on the Auckland network, as buses are refurbished and replaced.
- The new super-low-floor Euro 4 Manukau to airport buses have reflective lettering for night visibility.



- Punctuality of rail services across all three lines averaged 86%.
- 94% of Rapid Transit Network passengers rated vehicles as good, very good or excellent.
- New Waka Pacific branded buses were introduced in Counties Manukau by NZ Bus to reflect the multi-cultural nature of the community.
- New ferries are running on the Pine Harbour and West Harbour routes, as a result of increased subsidies from ARTA to operators Pine Harbour and Belaire.
- The number of on-board staff and ticket collectors on trains has been increased.
- Six additional carriages have been refurbished, with new carpet, seating and upgraded air conditioning. Remanufacturing of another 20 carriage bodies is in progress.



- Veolia and ARTA are conducting regular 'Meet our Managers' sessions with customers (see opposite page).
- A centralised customer feedback management system has been rolled out for all bus and rail operators, making it more efficient for ARTA to synthesise feedback into ongoing marketing campaigns.



- The new 380 service from Manukau to Auckland Airport links with rail connections.
- Passengers headed to the airport from the North Shore can purchase an integrated ticket linking the Northern Express to the Airbus Express at Britomart.
- The downtown Airbus Express stop at Britomart has been moved closer to the Downtown Ferry Terminal to link with ferry services.
- Feeder bus services have increased that connect to ferry timetables and to the Northern Express.

ARTA works in partnership with the following rail, bus and ferry operators.

Trains: Veolia Transport

Buses: NZ Bus (Metrolink, North Star, GO WEST, Waka Pacific), Airbus Express, Howick & Eastern Buses, Ritchies (Northern Express), Urban Express, Tranzit, Birkenhead Transport.

Ferries: Fullers, 360 Discovery, Pine Harbour Ferries, Belaire Ferries.

CASE STUDY: MEET OUR MANAGERS

ARTA contracts Veolia Transport to operate passenger rail services in Auckland. The customer is king for both organisations and, to prove it, key managers headed out to a number of train stations in the region during October 2008 and again in March/April 2009 to hear exactly what matters most to customers about the city's train services.

During the first set of sessions, we listened to over 250 rail passengers' feedback about what we're doing well and what could be improved. The sessions gave us an opportunity to explain why we do certain things in certain ways. Customer feedback also resulted in a number of improvements, such as customer service ambassadors available at Britomart and key interchange locations during times of service disruption and special events; new Star Mart ticket agencies in the central city, improved safety signage for all trains, and more 'Meet Our Managers' sessions.

Veolia is the transport division of the global Veolia Environnement. Started in France in 1875, it now has more than 65,000 employees in 25 countries. Veolia is contracted through to 2014 to continue bringing its global experience to the development of the Auckland rail network, incorporating systems and processes that have proven successful in other cities. Veolia has also restructured its organisation to implement a customer-service-centric management approach.

MARKETING CAMPAIGNS FOR NEW CUSTOMERS

A Christmas campaign to encourage Aucklanders to do their shopping using public transport featured bus, print and online advertising, as well as a printed guide distributed to 140,000 household letterboxes. 2,500 competition entries were received, a high number for this type of campaign.

When local bus services within Botany, from Botany to the CBD, and for the Manukau Crosstown services were redesigned, an extensive marketing campaign went into action in January. Billboards, posters, brochures, timetables and flyers went out, along with ads in newspapers and MAXX ambassadors at key points in the region. The result: a 60% growth in patronage on the 11 redesigned services.

From 16 February to 31 March, ARTA ran a campaign aimed at encouraging tertiary students to use the MAXX online journey planner. Print, radio and online channels (including posters, right) attracted 4,397 students to enter a competition to win supermarket vouchers. During the campaign 14,000 students visited the MAXX site, which made March the highest month in the past for visits.







ARTA IN THE COMMUNITY

Every segment of our population has barriers to and opportunities for using public transport, cycling or walking. Some of the barriers may be real and others are perceived. ARTA commissioned a Colmar Brunton survey in 2006 on each segment – from school children to tertiary students, to families and retirees – to identify ways we can influence a sustainable change in behaviour around public transport. The results have continued to inform our actions in the community.

This section of the report outlines new initiatives this year and updates on existing programmes.

“Every segment of our population has barriers to and opportunities for using public transport, cycling or walking.”

TRAVELWISE

TravelWise is a partnership between ARTA, councils, schools, workplaces and community groups. It helps schools, universities and workplaces to develop travel plans that support viable, sustainable travel choices for students and employees.

TRAVELWISE – EDUCATING KIDS IN SCHOOLS

There are 550 schools in the Auckland region. So far, 180 of those schools have, or are actively developing, a TravelWise plan and by 2014 we aim to offer every school the chance to develop a plan.

In the 2009 school year 25 new schools joined the programme. A school travel plan resource kit for lead teachers in primary schools was prepared, and introduced to over 100 schools during Term 1 this year.

In the first week of March, 70 schools participated in ARTA's Walk to School Week promotion. This meant 28,000 primary and intermediate students being encouraged to walk to school. Nine schools won book voucher prizes for recording consistently high levels across the week, which ranged from 50% to 80% of their total school roll walking to school.

Over 2,000 adult volunteers now walk more than 5,000 children on 254 Walking School Bus routes throughout the region. By volunteering one day a week, the other four days are free.

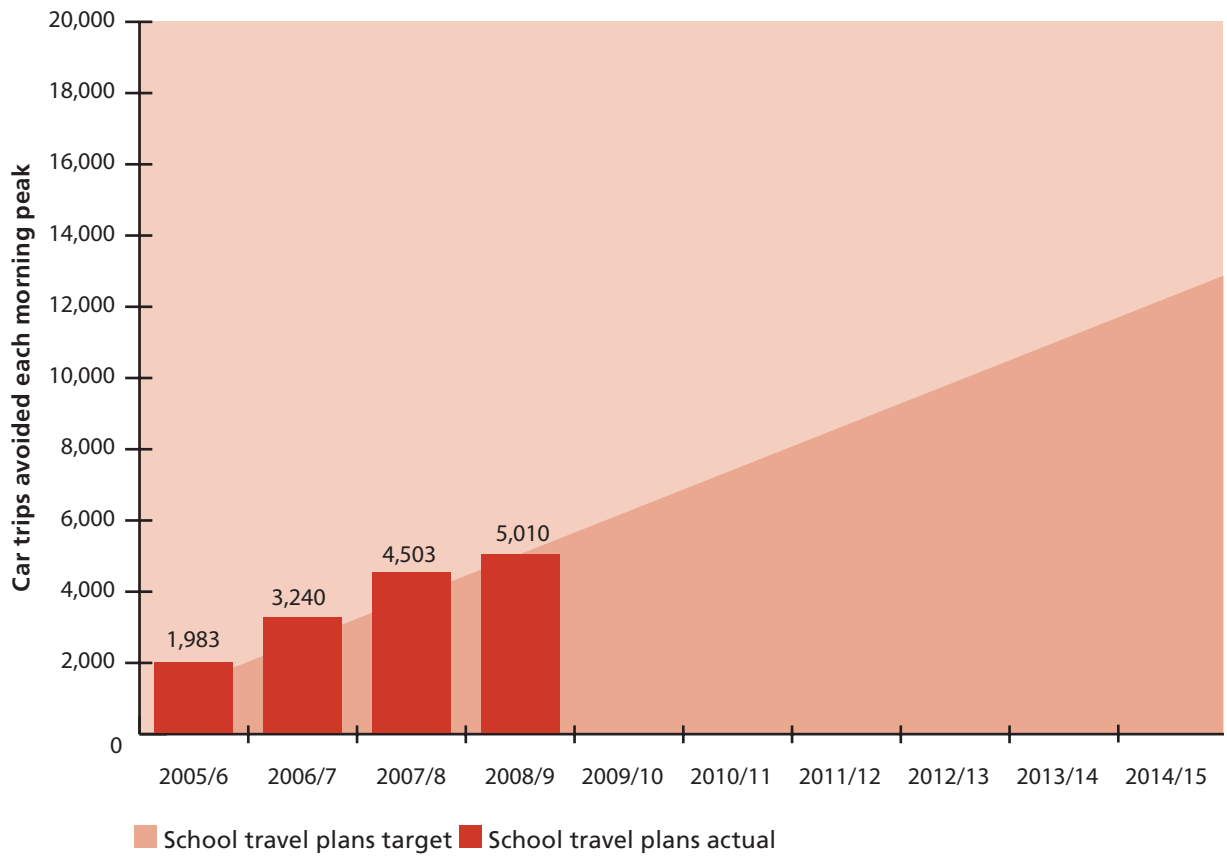
A promotion called Men on the Move, held over the Father's Day period in September 2008, encouraged more fathers to volunteer. Up to then, only one in seven volunteers were male. Callum O'Neill volunteers at Northcote Primary School and won a \$500 voucher for participating:

"For one it's good exercise and also one less car at the school gates dropping off the kids. I'm working shift work myself and when time permits I love joining the Walking School Bus."

The schools' programme is evaluated annually. This year, 36,846 students at 77 schools provided feedback. Primary schools have increased their walking and Walking School Bus participation, while secondary schools show a significant increase in walking, public transport use and carpooling.

RESULT: Each year, 5,010 fewer cars are on the road each morning. This result is above the level required to reach the 2014 ARLTS target of 12,600 fewer car trips each morning peak.

SCHOOL TRAVEL PLANS Progress towards ARLTS 2014 target



TRAVELWISE – TERTIARY STUDENTS GET ON BOARD

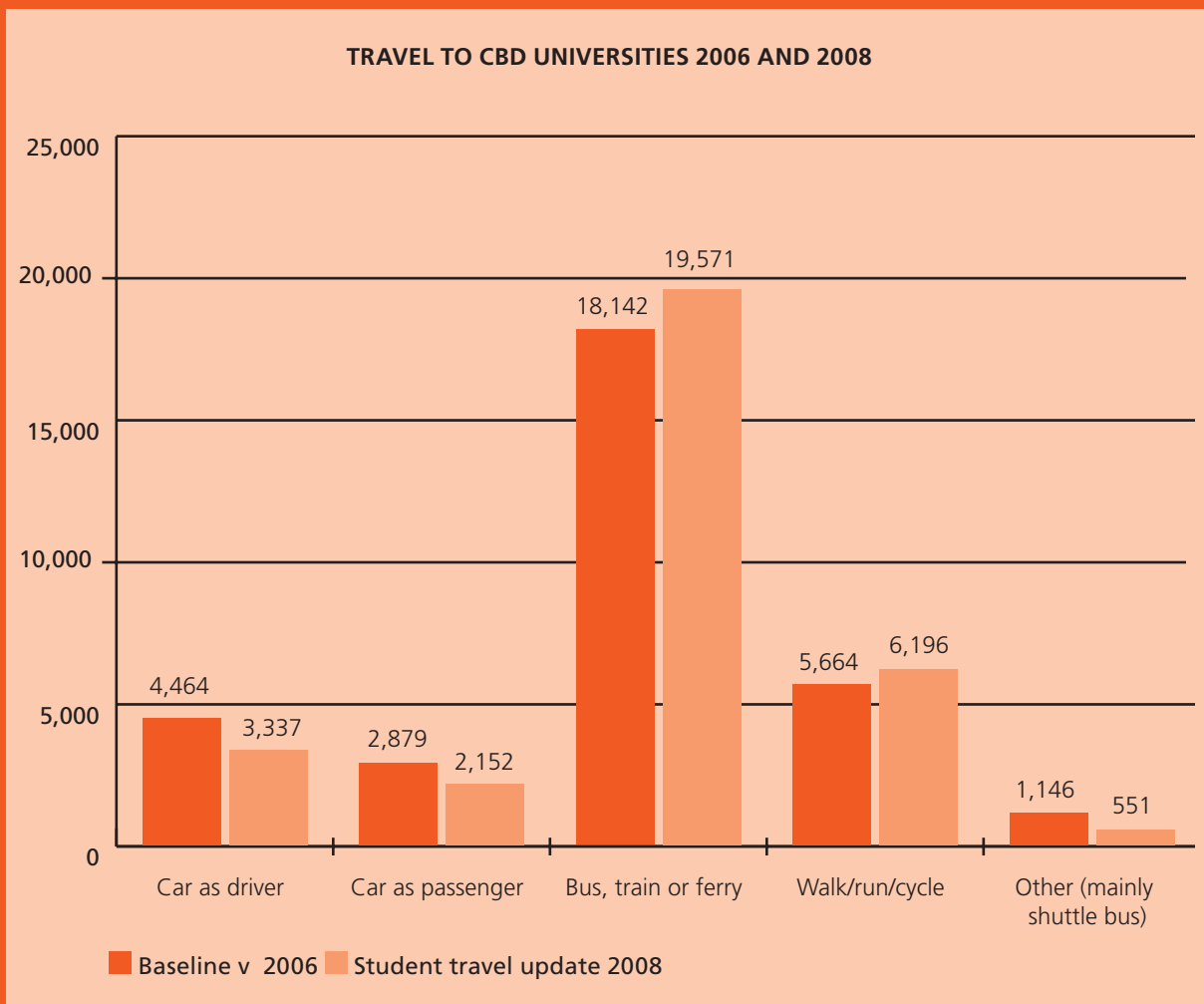
Around 32,000 tertiary students, as well as about 8,000 staff, travel daily to and around the University of Auckland's and AUT University's CBD campuses. Thousands more travel to the North Shore and Tamaki. Students were already identified as committed public transport users, with over half catching buses, trains or ferries.

The Universities' Travel Plan was introduced in 2007. In March 2008, the student discount on public transport was doubled to 40%. Public transport linkages between campuses and student accommodation improved with the Northern Busway connection. The number of outlets authorised to sell discounted 10-ride tickets and the 7-Day Northern Pass increased from five to over 80.

The discount has been strongly promoted to students (see page 41).

The Central Connector project will further encourage public transport use by students, reducing travel times and improving bus reliability between the CBD via both universities. (See page 28 for more details.)

RESULT: Sales of tertiary tickets increased 67% during the 2008 calendar year. The number of cars being driven into the CBD by students fell by 1,127.



Cheaper than a gym membership: Nick, Tom and Wally from North Shore City Council avoid traffic congestion and save money by kayaking to work.



TRAVELWISE – RESOURCES AND ADVICE FOR WORKPLACE TRAVEL PLANS

There are 34 organisations in Auckland that have a workplace travel plan. Besides universities, these include councils, banks, hotels and other corporates. ARTA shares its knowledge and experience to get organisations on board with their travel plans.

Our resource kit contains advice and tools, such as a cost/benefit calculator and a travel survey, that help organisations to develop individual travel plans to get people out of cars and onto public transport, cycling or walking.

A Guaranteed Ride Home (GRH) programme has been piloted at TravelWise workplaces this past year. GRH programmes offer a taxi ride home or to other relevant destinations (e.g. schools, medical facilities) for employees that used a sustainable travel option to commute to work on the day of the emergency. Acting essentially as an insurance programme, GRH schemes overseas have proven to be an extremely cost-effective approach to both attracting new public transport customers and maintaining or increasing use of the network by existing customers.

Car pooling software is being developed for the MAXX website, as a further transport option.

RESULT: The 2008 annual review found that there were 355 fewer car trips to work at the five workplaces with the most advanced travel plans (including Auckland Airport), plus the 1,127 fewer trips to the CBD universities. The 2016 ARLTS goal is for 3,500 fewer car trips in the morning peak due to workplace and tertiary travel plans.

CASE STUDY: AUCKLAND AIRPORT TRAVEL PLAN LIFTS OFF

Auckland Airport's innovative travel plan, called Lift, promotes carpooling, public transport and other alternatives to private cars to over 12,000 staff working at 23 companies at the airport.

Begun in 2006 with just six airport-based employers, Lift's smart programmes and fun events have attracted awards as well as new members. Lift won the Transport category of the Energy Efficiency and Conservation Authority Awards 2009, sponsored by Shell New Zealand. Lift was one of three finalists and was judged the winner as

it was seen to not only influence changes in travel behaviour but could also be a great template for other cross-industry locations.

The awards are well deserved. Over 65,000 vehicles travel to and from the airport each day. Within just two years the plan has taken more than 28 of those cars off the road each day, reducing CO₂ emissions by at least 68 tonnes per year.

One Lift travel hero is Paul Divers, who bought a Vespa scooter and can reliably plan on getting to and from his home in Titirangi to work in 40 minutes. He's also enjoying parking closer to work than his car-driving colleagues and, when the weather's good, he regularly cycles, making use of recently improved bike storage facilities.

There are 670 registered carpoolers using ARTA-supplied, carpooling software on the airport's website to coordinate sharing rides to work. Lift has become embedded in the culture of working at the airport. The travel plan is an integral part of its sustainability plan to improve access, reduce the effects of climate change and use fuel and energy more efficiently.

"The demand for travel between the airport and the city is expected to almost double by 2015, with a sharp spike during events like the Rugby World Cup," says the airport's Sustainability Advisor, Martin Fryer. "By encouraging staff to think differently about getting to work, and providing practical alternatives, we're planning ahead to reduce that pressure for staff and passengers alike, and for the country's gateway to be a leading example of social responsibility."

RESULT: Auckland Airport's travel plan has taken at least 28 cars off the road each day, reducing annual CO₂ emissions by more than 68 tonnes.



*Martin Fryer, Sustainability Advisor,
Auckland Airport.*

SUPERB RESULTS FROM THE SUPERGOLD CARD

Getting senior citizens out of their cars and onto public transport during commercial hours helps free up our roads for business activity and makes good use of off-peak public transport services. Equally, it gives those who can no longer drive greater access to their local communities, reducing social isolation.

From 1 October 2008, Senior Citizen Card holders became entitled to free public transport on all buses, trains and ferries after 9am on weekdays and all day on weekends and public holidays.

While central government funded the off-peak initiative through the Ministry of Social Development, ARTA and the ARC worked with the NZTA to get an even better deal for Auckland's senior citizens, to include free travel during afternoon peak services. This concession was granted only in Auckland.

The new SuperGold Card deal has more than doubled use of public transport by this group.

RESULT: Auckland's senior citizens took 2.3 million free trips within the first six months of the SuperGold Card being introduced.

TOTAL MOBILITY SCHEME IMPROVES ACCESS

Total Mobility (TM) is a national programme that supports people with disabilities to have greater access to their communities by taxi and public transport. There are 9,500 people registered with TM in the Auckland region.

ARTA completed implementing 'Phase 2' recommendations for national improvements to the Total Mobility Scheme. Phase 2 has included signing of updated Total Mobility Transport Operator contracts by 'Approved Taxi Organisations' and specialist wheelchair hoist van operators, and the signing of updated Total Mobility Assessment Agency contracts by disability organisations.

TM working group member Mary Schnackenberg says the biggest reason behind increases in registration for the scheme in Auckland is ARTA's commitment to Phase 2. "ARTA's placed considerable energy into training assessors and raising awareness of the scheme. They've led the country in signing on to the Phase 2 improvements in the TM scheme."

A handbook for assessment facilitators, which provides guidance on the assessment process and eligibility criteria, has been distributed to agencies and a half-day assessment training course, to be attended by approximately 105 assessment facilitators in the Auckland region, has been developed and piloted ready for delivery in October 2009.

RESULT: 95% of those registered with Total Mobility rate the overall taxi service as good, very good or excellent. The areas rated highest in the June 2009 survey are quality and comfort, value for money, and safety and security.

CYCLE MAPS AND SEASONAL CAMPAIGNS

During the warmer months, ARTA encouraged people to hop on their bikes and get out and about. The season of sustainable travel began in October with the re-launch of RoadSafe Auckland's 'Hey, we're all the same on the road' campaign. This campaign, supported by ARTA, aimed to promote road safety and awareness as the number of people cycling in the region began to increase with the temperatures. An evaluation of the campaign indicated strong support for future regional campaigns.

In December, ARTA launched a comprehensive set of five regional cycle maps that allow cyclists to navigate their own routes around the region. The maps provide a complete inventory of dedicated cycle infrastructure along with recommendations of Cycle Action Network cyclists on the best choice of local streets for cycling. The project was sponsored by the Ministry of Health and includes a panel on the health benefits of cycling. To date, more than 47,000 of the maps have been distributed and digital versions are now available to download from maxx.co.nz. The cycle maps project is being evaluated, and a project to produce cycle maps for Waiheke Island and Orewa/Whangaparaoa is being scoped.

Google cycle maps for North Shore are also available through the MAXX website. This high-tech project was developed by Cycle Action Auckland. The maps are designed to integrate cycling with public transport options, as well as detail cycle parking and safety information. ARTA will work with Cycle Action Auckland to extend the Google maps throughout the region.

National BikeWise Week was expanded from one week to a whole month this year, and was embraced throughout the Auckland region in February. Hundreds of local organisations competed in the national Bike Battle during the course of the month, with employees trying to collectively cycle as many kilometres as possible. In addition, local events organised by councils and cycling advocate groups included cycling lessons for beginners, kids' bike rides and mayoral challenges.

The pinnacle of the extravaganza was Go by Bike Day, on which a number of highly successful breakfast events treated over 1,500 of Auckland's cyclists to a free breakfast. Additionally, Auckland played host to the Urgent Couriers Commuter Challenge in which celebrities took part to pit bikes against buses and cars, an event which saw the cyclist reign supreme.

A further cycling-related project under way is to produce regional cycle design guidelines to standardise cycle road markings and signage throughout Auckland.

CYCLE MONITORING

Regional manual cycle monitoring has been carried out for the past three years, to give a 'one-day snapshot' of cycling in the region. The cycle monitoring is conducted for ARTA, the local councils and NZTA in March. Results from the 2009 cycle survey are:

Year	No. of Sites Monitored	Count	Annual Change (at 63 sites in original survey)
2007	63	9,019	n/a
2008	69	9,274	+3%
2009	83	10,054	-2%

Cycling has steadily declined since the 1980s, but has remained constant over the past three years. For example, 16% of school students cycled to school in 1980, while only 2% have cycled in the years from 2007-2009.

Where infrastructure is of high quality, continuous and connected, substantial increases in cyclist movements have been measured. The off-road Twin Streams Cycleway, the Upper Harbour Bridge, the North Western Cycleway and the Takapuna to Devonport cycle lanes are good examples of such infrastructure. As more of the Regional Cycle Network is completed, resulting in more continuous and connected routes, cycling numbers should increase.

If the cycling projects in the 2009-2012 RLTP are completed, 306.2km (32.6%) of the regional cycle network will have been constructed. The target set in the ARLTS is to complete 50% of the network by 2016. The proposed network is 938km long and the cost is estimated at over \$100 million. This work is the responsibility of the NZ Transport Agency and local councils.

RESULT: In 2009, monitoring shows no overall change in numbers of cyclists over three years, but significant increases at sites where the cycle routes are continuous and connected.



ARTA employees, left to right, Brian Horspool, Paul Montague, Peter Bawden

FINDING OUT WHAT STAKEHOLDERS THINK OF OUR PLANS

The draft 2009 Auckland Transport Plan (ATP) was released for public consultation in March 2009. This plan is the flagship 10-year planning document for putting into action an integrated and sustainable transport system for the region. It unites the strategies, plans, projects and packages developed by ARTA, local authorities, the NZ Transport Agency (NZTA) and KiwiRail into a single transport plan. The 2009 ATP builds on the 2007 ATP in establishing a multi-modal, multi-agency transport implementation plan, which outlines the priorities of land transport packages and projects over the next decade, within a long-term context.

All but 23 of the 554 submission received were in support of Rodney District Council's Penlink project, which links the Whangaparaoa peninsula with Stillwater, East Coast Road and SH1. Accepted from other submissions were the inclusion of specific and more detailed reference to matters such as transport and energy use, climate change, peak oil, public health and environmental impacts of transport, and an assurance that the plan would not be limited by an outdated Regional Land Transport Strategy from 2005, but would rather build on the strategic direction of the draft 2010 ARLTS. The final plan was released at the end of June.

The draft Regional Land Transport Programme for 2009-2012 (RLTP) was also released for public consultation. There were 34 submissions. A number of these submissions were made to both the ATP and RLTP. Many submitters agreed with the broad direction of the transport challenges. However, a number expressed concern that too much funding is still directed towards roading-based solutions. One submitter did wish to see the acceleration of major State highway projects and linked these to economic efficiency of the port and region. There were several requests to extend and improve the frequency of rail services and bus services and to fast-track progress of public transport and travel demand initiatives. Hearings were held in May and the final plan also released in June.



PROGRESS ON IMPLEMENTING THE REGIONAL LAND TRANSPORT STRATEGY

The Auckland Regional Land Transport Strategy (ARLTS) sets out a vision for Auckland’s transport system and a 10-year framework (from 2005-2016) for working towards this vision. There are three main elements to the strategy: roads, public transport and travel demand management.

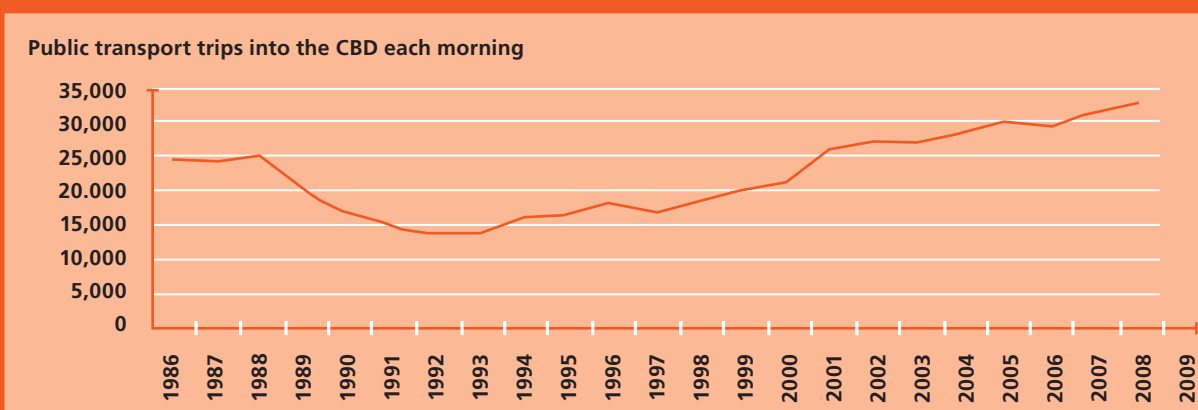
FOUR HIGH-LEVEL GOALS

The ARLTS specifies a number of goals. There are four key goals by which ARTA measures the contribution of its activities and those of other agencies to implementing the ARLTS:

TARGETS BY 2016

Target by 2016	07/08	08/09
49% of motorised trips into the CBD by passenger transport ¹	32,076 PT trips into the CBD in the morning peak	32,747 PT trips, an increase of 2.1%
100 million PT boardings per annum	54.4m	58.6m
20,000 fewer car trips each morning peak through travel plans	5,785	6,492
6% decline in road casualties per 10,000 population, to 29.2	30.9	29.9

¹ Dependent upon the Passenger Transport Network Plan being fully funded.



MOTORISED TRIPS INTO THE CBD

Getting people into the CBD by public transport at peak times delivers double benefits – it removes cars from our most congested roads, and it contributes to the growth of Auckland’s economic and cultural heart.

Auckland’s CBD has a finite number of parking spaces and the roads leading to it are seriously congested at peak times. During the 1980s and 1990s, the importance of Auckland’s CBD as an employment and retail centre steadily declined. This trend has now been halted; between 2002 and 2007, jobs in the CBD grew at the same rate as the rest of the region. Making it easier to catch the bus, train and ferry into town is crucial to maintaining this growth.

100 MILLION PT BOARDINGS PER ANNUM

Each year, ARTA sets its patronage targets based on available funding and on actual performance in the past year. While patronage growth has exceeded these targets, the rate of growth is significantly slower than the rate needed to achieve 100 million trips by 2016.

As shown on the graph on the right, ARTA is currently tracking slightly above the level of patronage forecast by ARTA in the Passenger Transport Network Plan, based on funding constraints. However, patronage growth is still well below the level required to achieve 100 million trips by 2016.

Key initiatives that have been delayed due to lack of funding and other issues include integrated ticketing, modern electric trains and improvements to bus services in the South, West and Isthmus – all of which are needed to achieve the 100 million target.

20,000 FEWER CAR TRIPS EACH MORNING

ARTA works with local councils to deliver TravelWise – an internationally recognised programme which supports schools, tertiary institutes and workplaces to develop travel plans. A travel plan is a targeted set of actions to reduce car travel and encourage walking, cycling and public transport.

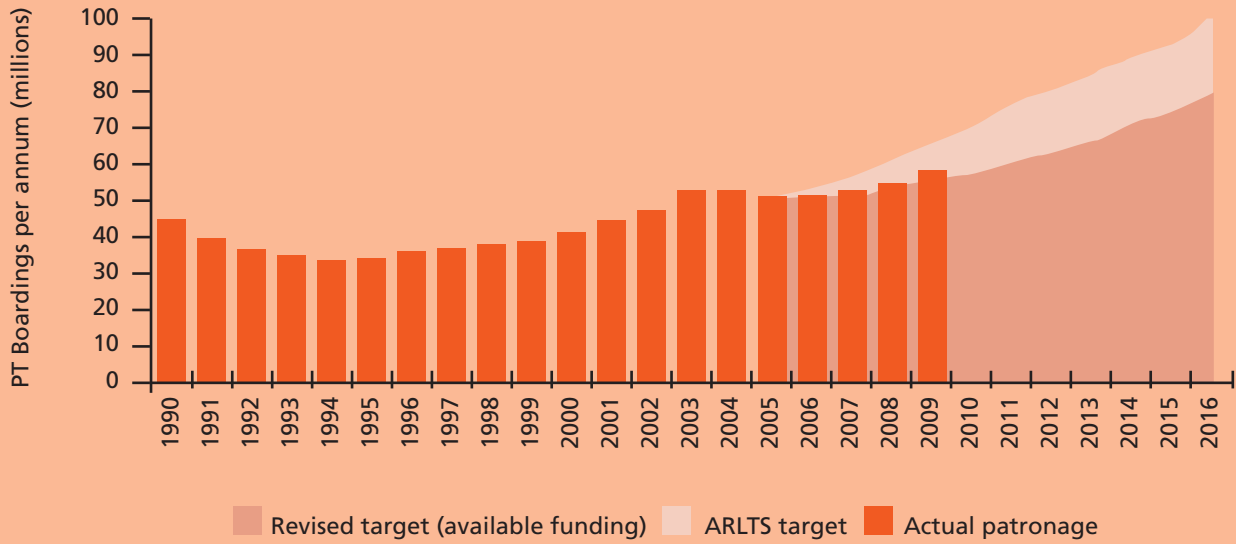
As at June 2009, 37% of the region's schools, all the major tertiary institutes, and workplaces totalling over 50,000 employees, have or are developing travel plans. Before-and-after surveys show that there are 6,492 fewer car trips each morning to these destinations.

6% DECLINE IN ROAD CASUALTIES

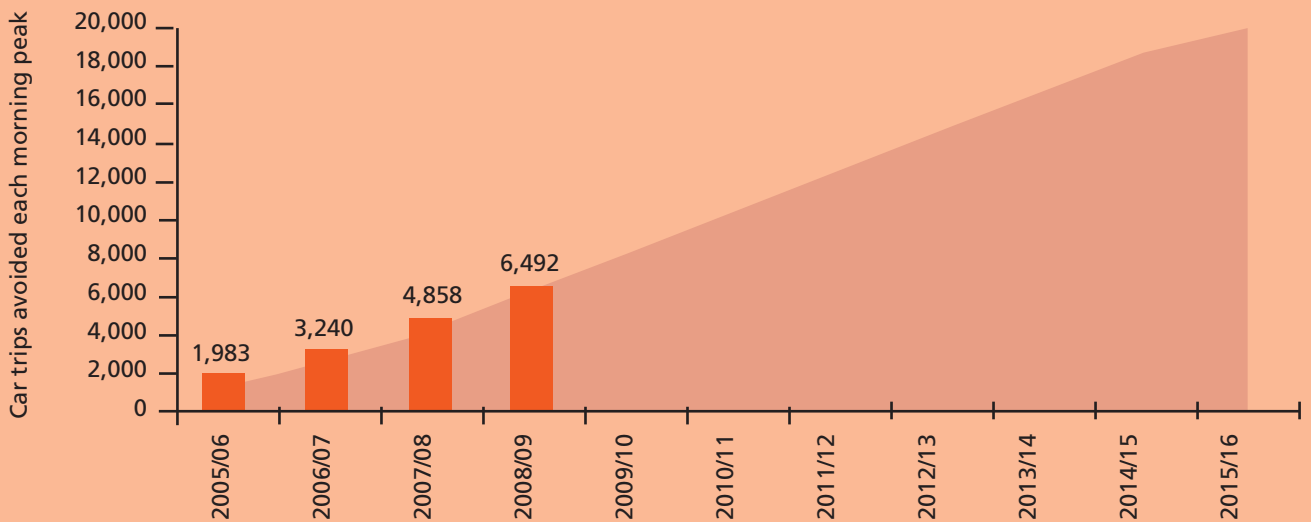
Road crashes are the leading cause of death in the Auckland region and account for approximately 10% of all hospitalisations. In 2008, road deaths in the region were 55, a figure which is lower than for any year on record, and casualties were also reduced. Sadly, this trend is not evident in the 2009 year; already by July there were more than 55 deaths on Auckland's roads.

ARTA and RoadSafe Auckland carried out extensive public consultation on the development of a Regional Road Safety Plan 2009-2012 which was released in August 2009. ARTA also implemented a successful high-profile 'Share the Road' safer cycling campaign targeting improved behaviour among cyclists and motorists. Six small community road safety projects were funded to a combined total of \$27,000 and delivered initiatives targeted at improving sober driving, reducing drink driving among those who reoffend, enhancing pedestrian safety, preventing texting and driving, and improving the driving habits of young restricted drivers.

100 MILLION PT BOARDINGS PER ANNUM



TRAVELWISE TARGET – 20,000 FEWER CAR TRIPS EACH MORNING PEAK





FERRY BUILDING

EXPRESS

CITY TO AIRPORT. AIRPORT TO CITY. EVERY 10 MINUTES. £6.50.

STATEMENT OF SERVICE PERFORMANCE

1 PERFORMANCE TARGETS

The high-level goals by which ARTA will measure the contribution of its own activities, and those of other agencies, to implementing the Auckland Regional Land Transport Strategy are:

Target by 2016	07/08 Result	08/09 Result
49% of motorised trips into the CBD by passenger transport ¹	32,076 PT trips each weekday morning	32,747 PT trips each weekday morning
100 million PT boardings per annum ²	54.4m	58.6m
20,000 fewer car trips each morning peak through travel plans	5,785	6,492
6% decline in road casualties per 10,000 population, to 29.2	30.9	29.9

¹ Based on annual survey counting bus, rail and ferry trips to CBD. Data on vehicle trips to CBD is not available, so percentage cannot be calculated.

² Dependent upon the Passenger Transport Network Plan being fully funded.

1.1 PATRONAGE TARGETS

Outcome	Performance Measure	07/08 Result	08/09 Target	08/09 Result
Total PT patronage growth	Total PT patronage increases by 1.7%	54,405,000	55,318,000	58,621,000 7.7%
Made up of:				
	Performance Measure	07/08 Result	08/09 Target	08/09 Result
RTN patronage growth	14% (137,000) patronage growth on the Northern Busway	963,000	1,100,000	1,500,000 55.8%
	9% (204,000) patronage growth on the Western rail line	2,404,000	2,608,000	2,709,000 12.7%
	4.7% (205,000) patronage growth on the Southern and Eastern rail lines	4,390,000	4,595,000	4,941,000 12.6%
QTN and LCN patronage growth	1% (323,000) patronage growth on all other bus services	39,721,000	40,044,000	42,482,000 7.0%
	0.5% (24,000) patronage growth on ferry services	4,380,000	4,404,000	4,374,000 -0.1%
Targeted services	1% (20,000) patronage growth on school bus services	2,547,000	2,567,000	2,615,000 2.7%

1.2 TRANSPORT OUTCOME MEASURES

Strategic Challenge	Performance Measure	Target	07/08 Result	08/09 Target	08/09 Result
Lead implementation of the Auckland Regional Land Transport Strategy	Allocation of funds through the Regional Land Transport Programme reflects ARLTS allocations (cumulative values from 06/07)	30% of transport expenditure is on new road construction	33.6%	30%	34.6%
		32% of transport expenditure is on road maintenance, traffic management and road safety	27.2%	32%	25.0%
		34% of transport expenditure is on passenger transport	36.2%	34%	37.2%
		4% of transport expenditure is on travel demand management	3.0%	4%	3.2%
Strategic Challenge	Performance Measure	Target	07/08 Result	08/09 Target	08/09 Result
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	% of RTN customers rating stops/stations and vehicles as good, very good or excellent is improved despite major construction works	82% stops & stations, 93% vehicles	83% stops & stations, 94% vehicles	90% stops & stations, 94% vehicles
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%	82%	Above 80%	84%
		RTN satisfaction above 85%	85.1%	Above 85%	85%
		QTN satisfaction above 80%	79%	Above 80%	83%
		LCN satisfaction above 80%	82%	Above 80%	87%
	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	64%	68%	70%

1.2 TRANSPORT OUTCOME MEASURES continued

Strategic Challenge	Performance Measure	Target	07/08 Result	08/09 Target	08/09 Result
Improve service punctuality	RTN services arrive at all stations within 5 minutes of scheduled time	Northern Busway services arrive at destination station within 5 minutes of scheduled time	99.8%	95%	98.6%
		Western Line rail services arrive at destination station within 5 minutes of scheduled time	80.8%	80%	87.8%
		Southern and Eastern Line rail services arrive at stations within 5 minutes of scheduled time	82.8%	80%	84.2%
	QTN bus and ferry services begin their route within 5 minutes of scheduled time	Bus and ferry services (using real time) begin their route within 5 minutes of scheduled time	Real time data is not available for QTN. 99% based on self reporting by operators	95% (based on real time data)	87.6% (based on real time data for QTN trips towards CBD)
Improve responsiveness	Closure rates for customer enquiries	Customer enquiries to MAXX and ARTA Enquiry are resolved within timeframes	11,058 cases received. 64% closed within 10 days	Number and % resolved within timeframe	15,362 cases received. 84% closed within 10 days
Enhance efficiency by directing resources to Quality Transit Network corridors and by rationalising local bus services using the priorities set out in the PT Network Plan	Cost per passenger	Rail – less than \$4.82 per passenger	\$4.42	\$4.82	\$4.46
		Bus – less than \$2.12 per passenger	\$1.85	\$2.12	\$2.00
		Ferry – less than \$1.39 per passenger	\$0.94	\$1.39	\$1.13
Change Aucklanders' travel behaviour by developing, promoting and marketing attractive transport options	Reduction in car trips to TravelWise schools	12,600 fewer car trips in morning peak by 2014 = 5,000 by 08/09. Measured via surveys of TravelWise schools in Term 4	4,503	5,000	5,010
	Reduction in morning peak car trips to TravelWise workplaces/ tertiary institutions	3,500 fewer car trips each morning peak by 2016. Target is 1,400 by 08/09. Measured by repeat surveys	1,282	1,400	1,482
	Reduction in car trips through Neighbourhood Accessibility Plans	3,900 fewer car trips by 2016 through Neighbourhood Accessibility Plans implemented by local councils	0	0	0

1.2 TRANSPORT OUTCOME MEASURES continued

Performance Measure	Target	07/08 Result	08/09 Target	08/09 Result
Capital projects implemented to schedule and on budget	Capital projects included in the 2008/09 funding agreement are progressed to schedule and within agreed budgets	92%	85%	77.7% (all projects) 84.3% (controllable projects)
Service improvements implemented to schedule and on budget	Service improvements included in the 2008/09 funding agreement, are delivered within agreed budgets	N/A	Achieved	Partly achieved. See detailed report on Programme of Action
Other significant projects implemented to schedule and on budget	Other projects included in the 2008/09 funding agreement are progressed to schedule within agreed budgets	N/A	Achieved	Partly achieved. See detailed report on Programme of Action

1.3 GOVERNANCE MEASURES

Strategic Challenge	Performance Measure	Target	07/08 Result	08/09 Result
Build a customer-focused organisation with excellent leadership practices, effective teamwork and good processes	Administration costs managed to budget	Administration costs in any financial year do not exceed the amount approved by the ARC	Achieved	Achieved
	Adherence to capital and operational funding limits	Costs in any financial year do not exceed the amounts approved by the ARC	Achieved	Not Achieved, due to advanced purchase of rolling stock spares
	Accounting policies are consistent with the ARC group and all legal and audit requirements are met	100% compliance as measured by Audit NZ annual audit	Achieved	Achieved
	Policies, procedures and processes consistent with New Zealand Transport Agency's requirements	100% compliance as measured by New Zealand Transport Agency annual audit	Achieved	Achieved

KEY PROJECTS FOR 2008/09

The following specific service improvements and projects have been agreed between the ARC and ARTA through the Long Term Council Community Plan progress. Progress towards the milestones set out below will be reported to the ARC in each Quarterly Report.

Rail Programme of Action	
Purchase of electric trains	Removed from programme The Government announced in March 2009 its intention to rescind the regional fuel tax, and its decision that ownership of any future electric rolling stock should rest with KiwiRail.
Construct a large modern station at Newmarket (to open late 2009)	Progressed to schedule Significant progress has been made on the construction of the new Newmarket Station over the past year, and the station is due to be opened in January 2010. Currently, the structure of the station and the link bridge to Remuera Road have both been completed.
Construct a large modern station at New Lynn (timing dependent on the ONTRACK double tracking/under-grounding project)	Progressed to schedule Detailed design has been completed and costs are being finalised, including cost allocation between ARTA, Waitakere City Council and ONTRACK.
Construct a new station at the intersection of Khyber Pass and Park Road (near Auckland Hospital)	Progressed to schedule The detailed design for the new station, now named Grafton Station, has been completed and the building consent has been submitted.
Avondale Station upgrade	Progressed to schedule Detailed design is due to be completed by August 2009, and the expectation is that the station upgrade will be complete in the second quarter of 2010 subject to funding approvals.
A trial service from Helensville, for 12 months from July 2008	Achieved A trial service from and to Helensville was implemented.
Four or more trains per hour at peak times across the current suburban network from July 2008	Achieved This level of service was achieved from 13 July 2008.
Provision of two services per hour at peak times on the Onehunga branch line in 2009	Progressed to schedule ARTA has completed planning for the Onehunga Station (ITM site) and is currently preparing a building consent application for the station.
Provision of six services per hour at peak times on the Manukau rail link	Progressed to schedule The location of the Manukau Station has been agreed, and concept design is progressing. ARTA is working with Manukau City Council and KiwiRail to develop a detailed programme of works subject to NZTA funding.
A new station serving Parnell and the Learning Quarter	Progressed to schedule ARTA is working with Auckland City Council and KiwiRail to develop preliminary concepts for a new station.
A new Drury Station	Removed from programme ARTA's commitment to construct a Drury station has been reviewed in the light of KiwiRail's decision that the southernmost station on the electrified network will be Papakura.
Station upgrades at Baldwin Avenue, Morningside, Mt Albert, Remuera, Greenlane, Penrose, Otahuhu, Te Mahia, Takapuna, Waitakere and Pukekohe	Partly achieved, programme adjusted ARTA is continuing to work with KiwiRail and the relevant local councils to finalise the location and scope of works for these stations. Morningside rail station upgrade was completed during 2008/09.

Bus Programme of Action	
Improved bus services between Auckland Airport and the Auckland CBD, and a new service from Manukau City, supported by train connections, from mid-2008	<p>Achieved</p> <p>Simpler route and improved frequency on the Airbus Express to both the CBD and Manukau commenced in June 2008.</p>
Improved services to Flat Bush, Highbrook, Mt Wellington from 2008 onwards	<p>Achieved</p> <p>Improved services to Botany, Mission Heights and Flat Bush commenced in August 2008.</p> <p>First bus services introduced to Highbrook in February 2009.</p>
Improved southern and eastern bus services and connections with trains from late 2008	<p>Progressed to schedule</p> <p>A revised timetable to introduce bus services to Stonefields commenced in August 2008 with further improved service design for southern and eastern bus services planned for the 2009/10 financial year.</p>
Improvements to north sector bus services	<p>Achieved</p> <p>Additional morning Torbay to Newmarket service – July 2008.</p> <p>Hibiscus Coast and North Shore Express services stopping at all stations – September 2008.</p> <p>Integrated North Shore to Airport ticket – September 2008.</p> <p>Knightsbridge Village to Constellation Station trial service – October 2008.</p> <p>Additional peak Northern Express services (4-minute frequency) added in October 2008.</p> <p>Additional Northern Express peak capacity added March 2009.</p>
Improvements to isthmus bus services, and implementation of a Quality Transit Network	<p>Progressed to schedule</p> <p>Mt Eden Road additional services were introduced in October 2008.</p>

Ferry Programme of Action	
Improvements to passenger waiting facilities at Half Moon Bay	Achieved Improvements to passenger waiting facilities were completed October 2008.
Additional services at Half Moon Bay in 2008	Removed from programme The costs of additional services to Half Moon Bay have been investigated further, and they are not considered to be affordable within current budgets.
More frequent services to Pine Harbour from mid-2008	Achieved Additional Pine Harbour services began operating in March 2008 with an additional vessel and two extra return journeys each weekday.
More frequent services to West Harbour from 2008 and Gulf Harbour from 2009	Achieved Additional West Harbour services began in June 2008 with an additional vessel and six extra return journeys each weekday. An average 10% fare increase was introduced to offset the increase in subsidy. Patronage on the Gulf Harbour ferry is low and the service is under review.
A new ferry wharf and ferry services for Beach Haven from early 2009	Programme adjusted A staged option was recommended to construct the ferry terminal, and provided ARTA the option to minimise the impact on the heritage values of the existing wharf. Capital funding for the Beach Haven construction works has been included in the 2009/10 ARC budget.
More frequent evening and weekend services to Devonport from mid-2008	Achieved Additional evening services to Devonport were added to the Fullers commercial service offering in early 2008
Downtown Ferry Terminal upgrade	Progressed to schedule Several improvements to passenger facilities at the Downtown Ferry Terminal were completed in late 2008, including: <ul style="list-style-type: none"> • 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	Progressed to schedule An increased scope of work for structural renewals to the downtown wharf substructures has been agreed, funding has been approved, and work is progressing as scheduled, with revised completion due mid-2010.
Birkenhead ferry terminal upgrade	Progressed to schedule Concrete repair works commenced in June 2009 with the intention to install a new hydraulic platform. The tender package for the project will be completed in September 2009, with an estimated project completion date of January 2010.
Improved facilities at Gulf Harbour	Achieved Improvements to passenger waiting facilities were completed in October 2008.
A new ferry terminal at Bayswater, to open early 2010, with more frequent services to Bayswater and Birkenhead at that time	Removed from programme Capital works at Bayswater were deferred to 2012/13 in the ARC Long Term Council Community Plan. Interim improvements, including parking options and enabling bus services to terminate closer to the ferry terminal, are under investigation.

Other Identified Projects	
Integrated smartcard ticketing by late 2010	<p>Delayed</p> <p>Tender evaluation for the Auckland Integrated Fare Solution (AIFS) Programme was completed in October 2008 and since that time various external factors, specifically related to obtaining funding approvals in Q4 2008 and NZTA's investigation of the programme through the first half of 2009, have led to project delays. Currently, the programme is in discussion with funders on funding allocations and looking at ways to deliver the programme within budget constraints. Once funding is secured, the next stage will be final negotiations with a preferred tenderer.</p>
Real time public transport information available across the region by late 2010	<p>Progressed to schedule</p> <p>Real time passenger information signs have been installed at 147 priority bus stops. Twelve additional sites have been added to the project, three are completed and the remaining nine are programmed for completion during the next three months. The supply and installation of a further 200 Type 2 signs, suitable for lower-use bus stops, is under way.</p> <p>A multi-modal real time passenger information system project is under way, which will enable real time passenger information at ferry terminals, rail stations, modal interchanges and bus stops. The project includes improvements to the underlying real time management system and associated infrastructure. Funding has been approved and a RFP for the system was released in July 2009. The multi-modal system will be implemented in stages during 2009/2010.</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>Progressed to schedule</p> <p>180 schools have, or are developing, TravelWise plans, out of 550 total schools in the region.</p> <p>The 2008 annual evaluation of travel patterns at TravelWise schools 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.</p>
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.	<p>Achieved</p> <p>In 2008/09 ARTA completed implementation of NZTA's 'Phase 2' recommendations for national improvements to the Total Mobility scheme and is now eligible for a higher subsidy on Total Mobility costs, offsetting the impact of continued growth in Total Mobility registrations. Changes included updating assessment agency and transport operator contracts, delivering assessment training, and redeveloping assessment resources. Approximately 80% of the 10,000 registered Total Mobility clients in the Auckland region have recently applied to renew their photo ID cards as part of the two-yearly reissue process.</p> <p>Free public transport for SuperGold Card holders and MAXX Senior Citizen Card holders – after 9am on weekdays and all day on weekends and public holidays – was launched on 1 October 2008 and use of bus, rail and ferry services by senior citizens has more than doubled.</p>

ARTA'S PROFILE

ARTA was established in 2004 to plan, fund and develop Auckland's transport system of roads, rail, buses and ferries into one that is world-class, safe, responsive and sustainable. The Auckland region requires an integrated, effective transport system to enhance its economy, maintain and improve its liveability, and provide good accessibility to the people who live, work and play in the region.

Successful cities require transport systems that move people and goods in the most sustainable, efficient and effective ways. To achieve this in Auckland, ARTA is shifting the focus of transport planning from moving vehicles towards moving people and goods sustainably.

ARTA is part of the ARC group, is defined as a Council-controlled Organisation and operates as a stand-alone business. Around half of the regional rates collected by the ARC go towards funding Auckland's rail, bus and ferry services, including new trains, stations and ferry wharves. The ARC commits bulk funding to ARTA on a year-by-year basis. ARTA is then responsible for the integrated planning and project funding of transport (excluding State highways) throughout the region. It is the only regional transport authority in New Zealand, and also receives funding from the NZ Transport Agency.

ARTA's activities include:

- identifying and purchasing new public transport services on buses, trains and ferries
- monitoring existing public transport services
- subsidising concession fares for senior citizens, school children and tertiary students
- funding the Total Mobility service and other initiatives to help people with disabilities
- managing school bus contracts
- continuing with the refurbishment of existing trains
- overseeing the introduction of more refurbished trains in the future
- upgrading rail stations and monitoring public safety
- maintenance of regional public wharf facilities and ferry terminals
- long-term upgrades of the rail network including track improvements and additional trains



“ARTA is shifting the focus of transport planning from moving vehicles towards moving people and goods sustainably.”



- developing travel plans to encourage more people to catch the train, bus or ferry, walk, cycle, rideshare, or work from home
- implementing regional cycling and walking strategies
- promoting and developing the Walking School Bus programme
- coordinating regional road safety activities
- providing information about public transport services (including timetables at stops and rail stations)
- planning improvements and developments to the local roading network
- developing the Regional Land Transport Programme for funding of all land transport projects in the Auckland region
- planning and prioritising the ongoing development of the region's land transport system through the Auckland Transport Plan
- ensuring that the development and growth of transport activities are integrated with the land use system.

ARTA's performance is monitored by the ARC through:

- providing an annual Statement of Intent
- providing half-yearly and annual reports against both the ARLTS and the Statement of Intent
- performance monitoring.

ARTA'S EXECUTIVE TEAM



From left to right – **Stephen Smith**, General Manager, Corporate Services – **Mark Lambert**, General Manager, Customer Services – **Shelley Watson**, General Manager, Marketing and Communications – **Fergus Gammie**, Chief Executive – **Allen Bufton**, Acting General Manager, Project Delivery – **Peter Clark**, General Manager, Strategy and Planning

ARTA's Board of Directors has overall responsibility for the functions and responsibilities of ARTA, including the integrated planning, funding and implementation of all modes of transport throughout the Auckland region. All decisions relating to the operation of ARTA are made by or under the authority of the Board in accordance with the Local Government (Auckland) Amendment Act 2004 and the operative annual Statement of Intent.

In 2008/09 the Board met formally each month.

STANDING COMMITTEE

The Risk and Assurance Committee is responsible for assisting the Board in areas of risk management, financial audit and legal compliance.

BOARD APPOINTMENTS

The ARTA Board was appointed in July 2004.

During the 2008/09 year, five directors' terms of office expired and one director resigned.

Mark Ford resigned effective 31 May 2009 to take up the position of Chair of the Auckland Transition Agency. Peter Brothers, Rabin Rabindran, Gary Taylor, Mike Williams and Adrienne Young Cooper's terms expired at 30 June 2009 and they have been reappointed as directors for a new term of 16 months from 1 July 2009 to 31 October 2010. Rabin Rabindran was appointed as Chair and Adrienne Young Cooper Deputy Chair of the ARTA Board.

Directors' current terms of office are:

	Term	Expires
Peter Brothers	16 months	31 October 2010
Rabin Rabindran	16 months	31 October 2010
Mike Williams	16 months	31 October 2010
Gary Taylor	16 months	31 October 2010
Adrienne Young Cooper	16 months	31 October 2010
Mark Benjamin	3 years	30 June 2010
Andrew Buxton	3 years	30 June 2010
Anthony Marks	3 years	30 June 2010

BOARD PROFILES



RABIN RABINDRAN
BOARD CHAIR

Rabin Rabindran is a commercial barrister and international legal consultant specialising in infrastructure development, construction and energy. He has worked on major projects in more than 25 countries acting for governments, local authorities and major corporates. He is a director of Manukau Water Ltd, Tomorrow's Manukau Properties Ltd, TMPL (Flat Bush) Ltd and a company with interests in China. Rabin is also chairman of the Singapore Chapter of the ASEAN New Zealand Combined Business Council and a trustee of the Chinese Language Foundation. He was previously a partner at Simpson Grierson and a director of an Australian public company.



ADRIENNE YOUNG COOPER
DEPUTY CHAIR

Adrienne Young Cooper is an independent director and planning consultant. She is a founding shareholder of Hill Young Cooper Limited, a major planning and resource management consultancy based in Wellington and Auckland. She specialises in urban growth management, and the relationship between transport and land use.

Adrienne was an inaugural director of Auckland Regional Transport Network Limited, and took special responsibility for the commissioning of the Britomart Transport Centre. In addition to ARTA, she currently sits on the boards of Solid Energy New Zealand Limited, Maritime New Zealand, Manukau Building Consultants Limited and the Auckland City Property Enterprise Board. Adrienne is also a trustee of several charitable organisations.



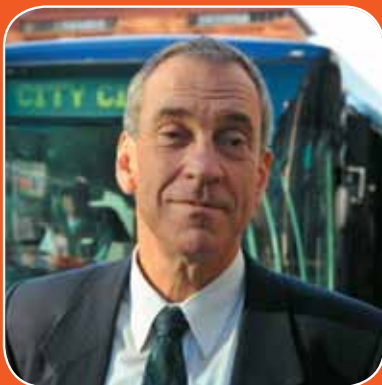
GARY TAYLOR

Gary Taylor is an experienced company director and environmental policy analyst. He is currently chairman of the Environmental Defence Society, the Climate Change and Business Centre and is also a director of the Hobsonville Land Company.



MARK BENJAMIN

Mark Benjamin is a Chartered Accountant and experienced executive in the infrastructure and agriculture industries. Prior to that he worked at Price Waterhouse internationally. In addition to his executive roles, Mark provides consulting and director services to small businesses, start-up businesses and not-for-profit entities.



PROFESSOR PETER BROTHERS

Peter Brothers is chief executive of The Manukau Institute of Technology. He was previously Dean of Engineering at the University of Auckland, holding that position for nine years. His career began with what was then the DSIR (Department of Scientific and Industrial Research), later spending 20 years in the United States in both public and private sector infrastructure roles. Peter was formerly a director of Auckland Regional Transport Network Limited and of UniServices Ltd, the University of Auckland's intellectual property company, and is currently a director of Metrowater.



TONY MARKS

Tony Marks is a director of Zespri International, House of Travel, Redwood Cellars and Polynesian Airlines as well as other companies in food, aviation and tourism.

He previously worked in marketing for major food companies in England, the United States and Venezuela before coming to New Zealand in 1978. Over the next 30 years, he held senior management positions at Carter Holt Harvey, was General Manager Sales and Marketing at Air New Zealand for ten years and CEO of Zespri International for four years. Prior to retiring from corporate life in 2006, he was the inaugural CEO of Pacific Blue Airlines, the international arm of Virgin Blue Airlines.



MIKE WILLIAMS

Mike Williams is a director of Sustainable Power Technologies Limited and a Trustee of Waitakere Enterprise. Mike is the former President of the New Zealand Labour Party and has held senior executive positions with major environment and transport-related organisations.



ANDREW BUXTON

Andrew Buxton is General Manager Systems, Logistics and Strategy Deployment for Warehouse Stationery. He has previously held senior executive roles in retail and consulting in NZ, Asia and the UK, and has led successful start-up companies. Currently, he is a director of a category management business (Complete Entertainment Services Ltd), a small consulting company (MH Group Ltd), a global standards organisation (GS1 NZ) and a global charity (UNICEF NZ).

DIRECTORS' ATTENDANCE 1 JULY 2008 TO 30 JUNE 2009

ARTA board meetings 14

Meetings attended

Mark Ford (until 31 May 2009)..... 12

Mark Benjamin..... 12

Peter Brothers 12

Andrew Buxton..... 14

Anthony Marks 13

Rabin Rabindran 13

Gary Taylor 12

Mike Williams..... 13

Adrienne Young Cooper 11

Risk and Assurance Committee (5 meetings)

Rabin Rabindran 4

Mark Ford..... 4

Gary Taylor 5

Mark Benjamin (from 25 February 2009)..... 3

Peter Brothers (from 24 June 2009)..... 1

WORKING AT ARTA

Attracting and retaining talented people is one of the pivotal ways ARTA can achieve its strategic goals.

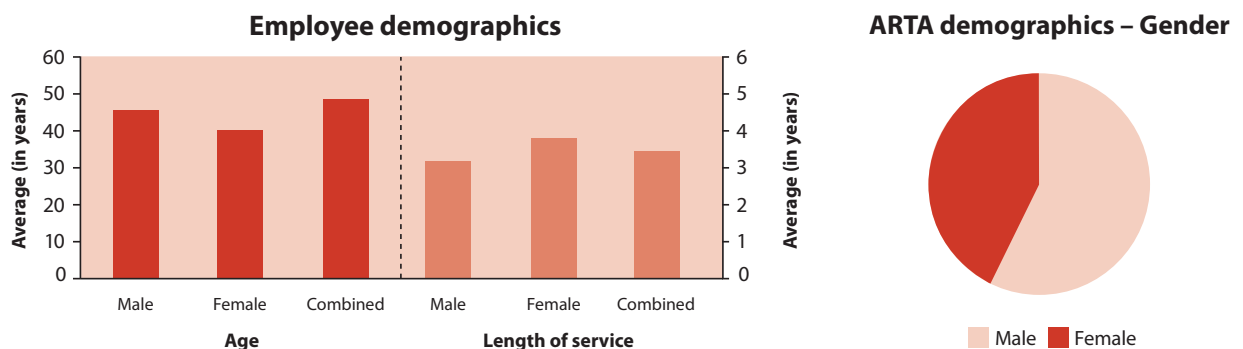
ARTA's aim is to create an environment where the employment relationship is a partnership between managers and staff, encourages team work, has a one organisation approach and a culture that respects (and encourages) diversity.

ARTA's culture is based on five key values:



We have a very diverse workforce of 115, with representation from many parts of the world. The people employed by ARTA are primarily at a professional level including rolling stock engineers, planners and account managers. The rest of the organisation is made up of skilled staff across all other areas such as finance, organisational development, administration, marketing, communications and media.

THE COMMON THREAD – A PASSION FOR AUCKLAND AND CONTRIBUTING TO MAKING OUR CITY A BETTER PLACE TO LIVE, WORK AND PLAY.



* The service history of staff who transitioned from the ARC when ARTA was formed is counted in this statistic but the low average is primarily due to ARTA's rapid growth and its short, five-year existence.

GETTING ON BOARD

In the past year, a new Walking and Cycling Coordinator, who has recently completed a dissertation relating to the barriers to cycling to schools, has joined the Strategy and Planning team. We have also reversed the migration trend by attracting an event expert from Australia to manage the Rugby World Cup.

They, like all new employees, went through a comprehensive induction programme. The programme includes a welcome aboard booklet, a 'buddy' for the first week, and a network journey on different modes of public transport.

CASE STUDY – SPECIAL EVENTS PLANNING

Shelley Simpson was a typically talented Kiwi who worked in Australia for 10 years and then wanted to come home to be closer to her family. Also on her CV was a contract in Doha, Qatar, planning the Asian Games in 2006. She approached ARTA to see if her skills matched a job vacancy.

The position of Special Events Planner was being newly created as a full-time job, to lead and coordinate public transport services for sports and cultural events in Auckland. It requires Shelley to do every task from planning through to implementation and review.

“There are so many passionate people working at ARTA and it’s such an interesting job. I’ve been able to bring my experience with best practice internationally for event transport planning and have this adopted here,” she says.

Integrated ticketing for sports and cultural events was well established internationally but unknown in New Zealand. Since Shelley started the job, a whole range of tickets for events at North Shore Stadium, Eden Park, Mt Smart and Vector Arena has been integrated with ‘free’ public transport. The results are a big success in getting more people out of their cars.

Not everything that works internationally works here, says Shelley, but her theory is that if you provide reliable, visible services and make it easy for people to use public transport, they will.

Shelley discovered initially that few event organisers understood what ARTA does. The same was true for councils, traffic management teams and the Police. Becoming part of a decision-making team environment for regional events has helped educate other event planners on what ARTA can offer.

“I don’t get ‘So what does ARTA do?’ anymore,” says Shelley.

Shelley’s own special event for the seven months to March 2010 is the birth of her first child. She’ll be on maternity leave but her job will be in safe, experienced hands until she returns.

EMPLOYEE BENEFITS

ARTA is an Equal Opportunities Employer with an Employee Assistance Programme, a group healthcare scheme through Southern Cross for permanent employees, a wellness programme, full health checks, discount gym membership, an on-site café and social club, and strategies for enabling employees to find a good balance between work and home.

The wellness programme supports involvement in corporate sports teams. ARTA, for example, has a joint team with the ARC for the annual dragonboat race.

PERFORMANCE AND DEVELOPMENT

The key performance indicators within each employee development and performance management plan are aligned throughout the organisation, right up to CEO level. This supports our one organisation policy and gives employees a real sense of how their work integrates with ARTA's wider goals.

Exceptional performance is rewarded at monthly staff forums. Run by and for staff, these mandatory-attendance forums support learning development and an understanding of our business.

ARTA also allocates funding to job-specific training and career development.



Left to right – Julie Bassett, Organisational Development Manager, Pat Patterson, HR Advisor, Samatha Pavis, HR Administrator

HEALTH AND SAFETY RECORD

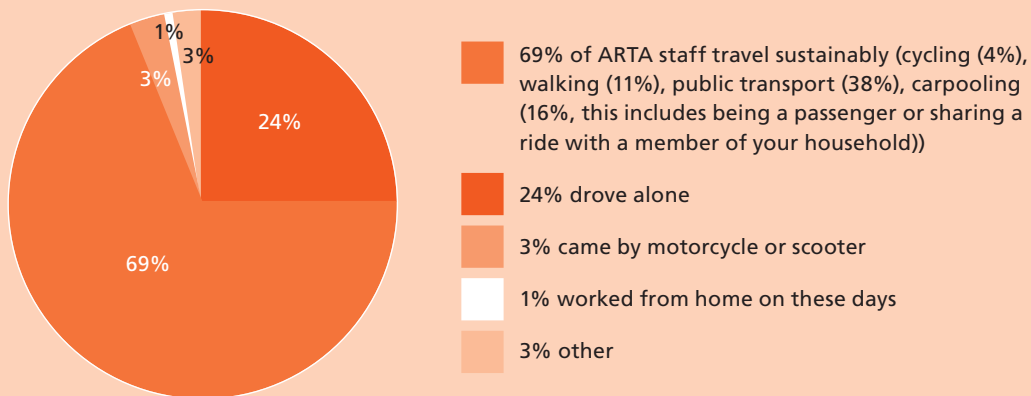
ARTA holds tertiary level accreditation with the Accident Compensation Commission (ACC). This level of accreditation is only awarded following rigorous auditing against a set of key indicators. It means ARTA has in place best practice health and safety, and a culture of continuous improvement.

In 2009, three days were lost to workplace injury, when an employee injured a finger in a basement car park door. The door has subsequently been altered for better safety.

WALKING THE TALK

Over half of ARTA employees walk, cycle or take public transport to work, compared with only 12% of Aucklanders as a whole. Many also walk to and from meetings in the city. This outcome is primarily driven by the organisational culture and a strong sense of social responsibility. ARTA also provides lockers and showers, plus a pool of bicycles for travel between local meetings.

Walking The Talk



Ninety staff participated in the July 2009 survey on travel to work, an 80% response rate. Results show that 69% travel to work by a sustainable means (cycling, walking, public transport or carpooling). That's a five percent increase from 2007. In 2007 only 12% of Aucklanders as a whole used sustainable means of travel. 3% fewer staff members now drive into work alone than in 2007.



STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

The Board and management of the Auckland Regional Transport Authority confirm that all the statutory requirements of the Local Government Act 2002 and Local Government (Auckland) Amendment Act 2004 in relation to the Annual Report have been complied with.

RESPONSIBILITY

The Board and management of the Auckland Regional Transport Authority accept responsibility for the preparation of the financial statements and the judgements used in them.

The Board and management of the Auckland Regional Transport Authority accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and management of the Auckland Regional Transport Authority, the annual financial statements for the year ended 30 June 2009 fairly reflect the financial position and operations of the Auckland Regional Transport Authority.



Rabin Rabindran

Chairman

September 2009



Fergus Gammie

CEO

September 2009

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2009

REPORTING ENTITY

The Auckland Regional Transport Authority (ARTA) was established on 1 July 2004 by the Local Government (Auckland) Amendment Act 2004. It is a body corporate with perpetual succession.

It is also a Council-Controlled Organisation as defined by the Local Government Act 2002. The Local Government (Auckland) Amendment Act 2004 defines the Auckland Regional Council (ARC) as the sole shareholder of ARTA.

The financial statements are for the year ended 30 June 2009 and were authorised for issue by the Board of ARTA on 26 August 2009.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with section 69(2) of the Local Government Act 2002, which requires the financial statements to comply with generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

ARTA is designated a Public Benefit Entity for the purposes of NZ IFRS on the basis that the primary objective of ARTA is to provide goods or services for the community or social benefit, rather than making a financial return.

CHANGES IN ACCOUNTING POLICY

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no changes in accounting policy since 30 June 2008.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

NZ IAS1 (International Accounting Standard) Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised NZ IAS1 requires an entity to present all owner changes in equity separate from non-owner changes in equity in a Statement of Changes in Equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one Statement of Comprehensive Income or in two statements (an Income Statement and a Statement of Comprehensive Income). Components of comprehensive income are not permitted to be presented in the Statement of Changes in Equity. ARTA intends to adopt this standard for the year ending 30 June 2010, and will prepare two statements (an Income Statement and a separate Statement of Comprehensive Income). This is not expected to have a material effect on ARTA.

NZ IAS23 Borrowing Costs (revised 2007) replaces NZ IAS23 Borrowing Costs (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of the asset. The option of immediately expensing these borrowing costs has been removed. ARTA intends to adopt this standard for the year ending 30 June 2010. It is not expected to have a material impact on ARTA as ARTA's rules prevent it from borrowing without the written permission of the ARC.

NZ IFRS8 Operating Segments is effective for annual reporting periods beginning on or after 1 July 2009. NZ IFRS8 makes compliance with the standard mandatory for non-qualifying profit-oriented entities and changes how operating segments are defined and their results disclosed in notes to the financial statements. ARTA intends to take up the exemption offered to public benefit entities not to apply this standard.

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain assets and liabilities as identified in specific policies below. The financial statements are presented in New Zealand dollars.

REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable.

ARTA receives revenue from three main sources:

- funding from the Auckland Regional Council (ARC);
- subsidies from the New Zealand Transport Agency (NZTA);
- fare box recovery from public transport users.

Auckland Regional Council Funding

ARTA is funded by its parent, the ARC, in order to deliver the agreed annual operational and capital programmes. This funding is recognised as income when the expenditure it covers is incurred, i.e. on an accrual basis. The ARC requires ARTA to report quarterly to the council finance committee on financial and non-financial performance and to comply with ARC group policies on expenditure.

New Zealand Transport Agency Grants

ARTA receives government grants from NZTA, which funds administration, operational and capital expenditure. Grants distributions from NZTA are recognised as income when the expenditure they cover is incurred, i.e. on an accrual basis. Sometimes there are conditions attached to grants provided. NZTA performs a biannual audit on ARTA's processes and if they find an anomaly then ARTA is obliged to pay the relevant funds back.

Fare Income

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

GRANT EXPENDITURE

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

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

PUBLIC EQUITY

Equity is the shareholder's interest in the organisation and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into accumulated funds and a capital grants reserve to enable clearer identification of the specified uses that the organisation makes of its accumulated surpluses.

FINANCIAL ASSETS

ARTA classifies its financial assets into the following categories:

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when ARTA provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) *Financial assets at fair value through equity*

Financial assets at fair value through equity, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Financial assets at fair value through equity and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through equity are recognised in equity in the financial assets at fair value through equity revaluation reserve. When securities classified as financial assets at fair value through equity are sold or impaired, the accumulated fair value adjustments are included in the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the organisation establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment of Financial Assets

ARTA assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as financial assets at fair value through equity, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

ARTA uses financial instruments to hedge exposure to foreign exchange. ARTA does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. ARTA designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

ARTA documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. ARTA also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of hedging derivatives is classified as a non-current asset if the remaining maturity of the hedged item is more than 12 months and as a current asset if the remaining maturity of the hedged item is less than 12 months.

- Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the income statement.

- Cashflow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. However, if ARTA expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into profit or loss the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

For cash flow hedges other than those covered above, amounts that had been recognised directly in equity will be recognised in profit or loss in the same periods during which the hedged forecast transaction affects profit or loss (for example, when a forecast sale occurs).

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will be recognised in the income statement.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade receivables are due for settlement not more than 30 days from the date of recognition.

A provision for the impairment of receivables is established when there is objective evidence that ARTA will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method. Debts which are known to be uncollectible are written off during the period in which they are identified.

INVENTORIES

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

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

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of operational assets including land and improvements, rolling stock, wharves, buildings, plant and equipment, and fixtures and fittings.

Property, plant and equipment is valued at cost, less accumulated depreciation and impairment losses.

(a) Additions and subsequent costs

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

Items of property, plant and equipment are capitalised on the basis of the costs incurred to acquire, construct and bring to use the specific physical asset. Direct costs include payments to the supplier for the acquisition or construction of an asset, employee costs and an appropriate portion of relevant overheads. Costs that are directly associated with the acquisition and/or construction of the asset controlled by ARTA, and that will generate economic benefits exceeding costs beyond one year, are recognised as property, plant and equipment. These costs are depreciated over their estimated useful lives (see below for useful lives per class of asset).

Costs associated with developing or maintaining property, plant and equipment are recognised as an expense as incurred.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ARTA and the cost of the items can be measured reliably.

It is not the organisation's policy to revalue property, plant and equipment.

(b) Depreciation

Land and assets under construction (work in progress) are not depreciated. Depreciation is provided for other assets on a straight line basis to write off the cost of each asset net of residual value over its useful life.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ROLLING STOCK		
ADK carriage	6 years	(16.67%)
ADL carriage	10 years	(10%)
SA/SD carriage exterior	15 years	(6.67%)
SA/SD carriage interior	7.5 years	(13.33%)
SX carriages	2-6 years	(16.67-50%)
Locomotives (leasehold improvements)	15 years	(6.67%)

WHARVES, PIERS AND ASSOCIATED ASSETS		
Wharves and piers	10-50 years	(2-10%)
Signage	3-10 years	(10-33%)
Fencing	2-15 years	(6.67-50%)

RAILWAY STATIONS AND ASSOCIATED ASSETS		
Structures	20-50 years	(2-5%)
Signage	3-10 years	(10-33%)
Fencing	2-15 years	(6.67-50%)

PLANT, MACHINERY AND OTHER EQUIPMENT		
Cycle lockers	5 years	(20%)
Furniture, fixtures and other equipment	5.5-15.5 years	(6.4-18.2%)
Low value assets	1 year	(100%)
Fibre optic cable	15.5 years	(6.4%)

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

(c) Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

(d) Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

INTANGIBLE ASSETS

(i) Computer software

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by ARTA, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives not exceeding three years.

ii) Operating leases – Land

The operating leases on land are donated assets. They are recognised in the accounts at fair value and amortised over the life of the underlying leases.

AMORTISATION OF INTANGIBLE ASSETS

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the income statement.

The useful lives and associated amortisation rate of major classes of intangible assets have been estimated as follows:

Computer software	3 years	(33.3%)
Operational leases	63 years	(1.6%)

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or at each balance sheet date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows, and where ARTA would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the income statement.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services, provided to ARTA prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

EMPLOYEE BENEFITS

(i) Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, accumulating sick leave and other benefits expected to be settled within 12 months of the reporting date are recognised and are measured at the amounts expected to be paid when the liabilities are settled.

ARTA recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that ARTA anticipates it will be used by staff to cover those future absences.

ARTA recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 6.85%, and an inflation factor of 3.5% were used. The discount rate is based on bank interest rates with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

LEASES

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, ARTA recognises finance leases as assets and liabilities in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether ARTA will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

INCOME TAX

ARTA is a local authority for income tax purposes but does not currently derive any income from taxable sources, except for port-related activities as defined in the Income Tax Act 2007.

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Income tax expense is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

FUNCTIONAL AND PRESENTATION CURRENCY AND FOREIGN CURRENCY TRANSLATION

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of ARTA is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

PROVISIONS

Provisions are recognised when ARTA has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements ARTA has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Rolling Stock Assets

There are a number of assumptions and estimates used when performing an impairment review over rolling stock. These include:

- the physical deterioration and condition of an asset. This risk is minimised by ARTA (or its agent) performing a combination of physical inspections and condition modelling assessments
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, then ARTA could be over or under-estimating the annual depreciation charge recognised as an expense in the income statement. To minimise this risk asset inspections, deterioration and condition modelling are carried out regularly as part of ARTA's asset management planning activities, which gives ARTA further assurance over its useful life estimates.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	Actual 2009 \$000	Plan 2009 \$000	Actual 2008 \$000
Income	1			
Operational grants		202,322	196,883	173,696
Capital grants		73,880	98,375	61,859
Fare revenue		22,764	22,962	20,198
Other operating revenue		4,587	3,245	4,604
Donated assets		0	0	72,829
Total Income		303,553	321,465	333,185
Expenditure	2			
Employee benefits		11,929	11,992	9,816
Depreciation and amortisation expense		18,221	16,092	12,491
Grants and subsidies		176,755	177,970	149,200
Other expenditure		40,510	30,235	40,075
Total Operating Expenditure		247,415	236,289	211,582
Surplus before tax		56,138	85,176	121,603
Income tax (expense)/benefit	20	(440)	213	193
Surplus after tax attributable to the authority		55,698	85,389	121,796

Note: The net surplus for the 2009 year primarily represents capital grants for the year offset by the annual depreciation charge. Generally Accepted Accounting Practice requires that capital grants are recognised in the year in which they are received. The capital expenditure they fund is recorded as fixed assets on the balance sheet.

The 2008 surplus also included the discount on acquisition relating to a business combination (see note 18).

The accounting policies on pages 81 to 94 and the notes on pages 100 to 120 form part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

		Actual	Plan	Actual
		2009	2009	2008
	Note	\$000	\$000	\$000
Equity at the beginning of the year		210,252	210,252	88,456
Net surplus for the year		55,698	85,389	121,796
Equity at the end of the year	3	265,950	295,641	210,252

The accounting policies on pages 81 to 94 and the notes on pages 100 to 120 form part of, and should be read in conjunction with, these financial statements.

BALANCE SHEET AS AT 30 JUNE 2009

	Note	Actual 2009 \$000	Plan 2009 \$000	Actual 2008 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	4	105	250	148
Trade and other receivables	5	43,357	58,550	50,543
Loans and receivables	9	19,819	16,251	18,802
Inventories	19	5,126	3,096	3,096
Total Current Assets		68,407	78,147	72,589
Non-current Assets				
Property, plant and equipment	7	240,125	266,191	185,835
Loans and receivables	9	1,152	0	8,470
Intangible assets	8	22,152	22,160	22,508
Total Non-current Assets		263,429	288,351	216,813
TOTAL ASSETS		331,836	366,498	289,402
LIABILITIES				
Current Liabilities				
Trade and other payables	6	39,540	49,884	46,943
Other financial liabilities	9	19,819	16,251	18,802
Total Current Liabilities		59,359	66,135	65,745
Non-current Liabilities				
Other financial liabilities	9	1,152	0	8,470
Deferred tax	20	5,375	4,722	4,935
Total Non-current Liabilities		6,527	4,722	13,405
TOTAL LIABILITIES		65,886	70,857	79,150
Public Equity				
Accumulated funds	3	4,266	4,792	5,163
Capital Grants Reserve	3	261,684	290,849	205,089
TOTAL EQUITY		265,950	295,641	210,252
TOTAL LIABILITIES AND EQUITY		331,836	366,498	289,402



Rabin Rabindran
Chairman
Auckland Regional Transport Authority



Peter Brothers
Director
Auckland Regional Transport Authority

The accounting policies on pages 81 to 94 and the notes on pages 100 to 120 form part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

	Actual	Plan	Actual
	2009	2009	2008
Note	\$000	\$000	\$000
Cash Flows from Operating Activities	11		
Cash was provided from:			
ARC Opex Grants	101,531	89,737	66,415
ARC Capex Grants	70,771	85,252	57,533
ARC funding for IA grants vested in ARTA	7,711	11,021	26,545
NZTA Capex Grants	4,457	12,914	5,028
NZTA Opex Grants	104,750	99,501	85,402
Other grants and subsidies	1,350	1,373	1,331
Rail fare revenue	18,625	18,928	16,573
Bus fare revenue	4,436	3,917	3,322
Ferry wharf revenue	1,998	1,912	1,471
Other sundry operating income	252	4	150
	315,881	324,557	263,770
Cash was applied to:			
Payments to suppliers	222,913	205,243	169,636
Payments to employees	12,724	11,907	10,521
Payments to recipients of IA grants vested in ARTA	7,711	11,021	26,251
GST	184	184	0
	243,532	228,355	206,408
Net Cash Flows from Operating Activities	72,349	96,202	57,362
Cash Flows from Investing Activities			
Cash was applied to:			
Purchase and development of property, plant & equipment	72,210	96,100	57,427
Purchase and development of intangible assets	182	0	110
	72,392	96,100	57,537
Net Cash Flows from Investing Activities	(72,392)	(96,100)	(57,537)
Net (Decrease)/Increase in Cash & Cash Equivalents Held	(43)	102	(175)
Cash & Cash Equivalents Balances at beginning of the year	148	148	323
Cash & Cash Equivalents Balances at the end of the year	105	250	148

Reconciliation of Net Surplus with Net Cash Flows from Operating Activities

	Actual	Plan	Actual
	2009	2009	2008
	\$000	\$000	\$000
Cash was provided from:			
Net Surplus	55,698	85,389	121,796
Adjustment for items not involving cash:			
Depreciation and amortisation	18,221	16,092	11,937
Loss/gain on sale of assets	236	0	554
Donated assets	0	0	(77,957)
Deferred tax	440	(213)	4,935
Movements in working capital:			
Decrease/(Increase) in receivables from ARC	9,587	(6,179)	(17,059)
Decrease/(Increase) in trade and other receivables	(1,907)	(1,827)	(6,702)
Decrease/(Increase) in inventory	(2,030)	0	(3,096)
Decrease/(Increase) in GST	(678)	(184)	807
Decrease/(Increase) in grants receivable from ARC	7,711	11,021	26,545
(Decrease)/Increase in trade and other payables	(7,218)	3,124	21,854
(Decrease)/Increase in grants payable	(7,711)	(11,021)	(26,251)
Net Cash from Operating Activities	72,349	96,202	57,362

The accounting policies on pages 81 to 94 and the notes on pages 100 to 120 form part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 INCOME

	2009	2008
	\$000	\$000
ARC Opex Grants	93,164	83,474
ARC Capex Grants	69,508	56,123
NZTA Opex Grants	109,158	90,222
NZTA Capex Grants	4,373	5,735
Other grants and subsidies	2,374	2,884
Rail fare revenue	18,281	16,778
Bus fare revenue	4,482	3,420
Ferry wharf revenue	2,009	1,568
Other operating income	204	152
Donated assets (discount on acquisition)	0	72,829
Revenue	303,553	333,185

2 EXPENDITURE

	2009	2008
	\$000	\$000
Expenses include:		
Audit fees - for financial statement audit	99	89
- for assurance and related services (a)	8	22
Depreciation/amortisation	18,221	12,491
Directors' fees	372	357
Capital expenditure grants to third parties (b)	0	5,012
Employee benefit expense (see also note 17)	11,929	9,816
Grants and subsidies	176,755	149,200
Foreign exchange gains or losses	0	0
Impairment of receivables	0	0
Impairment of property, plant and equipment	0	0
Rental and operating lease costs	9,450	8,388
Research and development	0	0
Other expenses	30,581	26,206
Total operating expenses	247,415	211,582

(a) The auditor completed assurance engagements over the Authority's tender processes and consultation processes

(b) This represents capital grants from ARTA's Capex programme made by ARTA to third parties where ARTA is entitled to, and recognises, the associated grant funding.

KEY MANAGEMENT PERSONNEL COMPENSATION

Members of ARTA's executive team (including the CEO and General Managers) and ARTA directors received an aggregated total of \$1,759,355 in 2009 and \$1,500,047 in 2008.

ALL EMPLOYEES RECEIVING >\$100,000	2009	2008
\$100,001 - \$110,000	7	5
\$110,001 - \$120,000	7	2
\$120,001 - \$130,000	3	2
\$130,001 - \$140,000	4	6
\$140,001 - \$150,000	4	4
\$150,001 - \$160,000	2	1
\$160,001 - \$170,000		
\$170,001 - \$180,000	2	
\$190,001 - \$200,000		2
\$210,001 - \$220,000	1	1
\$220,001 - \$230,000	1	1
\$240,001 - \$250,000	1	
\$250,001 - \$260,000		
\$310,001 - \$320,000	2	1
\$320,001 - \$330,000		
\$330,001 - \$340,000		
\$340,001 - \$350,000		
\$350,001 - \$360,000	1	

	2009	2008
Directors' Fees	\$000	\$000
Mark Ford (Chairman until 31 May 2009)	73	80
Rabin Rabindran (Deputy Chairman and Chair of Risk & Assurance Committee until 31 May 2009, Chairman June 2009)	53	50
Adrienne Young Cooper (Deputy Chairman June 2009)	36	35
Peter Brothers (Chairman Risk & Assurance Committee June 2009)	35	35
Gary Taylor	35	35
Mike Williams	35	35
Mark Benjamin	35	29
Andrew Buxton	35	29
Anthony Marks	35	29
	372	357

3 PUBLIC EQUITY

	2009	2009	2008	2008
	\$000	\$000	\$000	\$000
	Retained	Capital Grants	Retained	Capital Grants
	Earnings	Reserve	Earnings	Reserve
Opening balance	5,163	205,089	5,320	83,136
Surplus for the year	55,698	0	121,796	0
Transfers (to)/from other reserves	(56,595)	56,595	(121,953)	121,953
Closing balance	4,266	261,684	5,163	205,089

The Capital Grants Reserve is an accounting reserve that represents capital expenditure grants that have not yet been offset by an associated depreciation charge.

4 CASH AND CASH EQUIVALENTS

	2009	2008
	\$000	\$000
Cash at bank and on hand	105	148
Total cash and cash equivalents	105	148

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

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

Cash at bank and on hand	105	148
Total	105	148

5 TRADE AND OTHER RECEIVABLES

	2009	2008
	\$000	\$000
Trade debtors	553	468
Less: Provision for impairment	0	0
Net trade debtors	553	468
Other receivables:		
Receivables from related parties – ARC	28,975	38,562
Accrued income	13,335	11,498
Prepayments	0	15
GST receivable	494	0
Total trade and other receivables	43,357	50,543

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore, the carrying value approximates their fair value.

2009 – 93% of trade receivables are 30 days or less, 3% are 60 days, 4% are 90 days or over.

2008 – 66% of trade receivables are 30 days or less, 12% are 60 days, 22% are at 90 days or over.

IMPAIRED RECEIVABLES – TRADE

In 2009 there is no impairment of trade or other receivables and as such there is no impairment provision.

In 2008 there was no impairment of trade or other receivables and as such there was no impairment provision.

PAST DUE BUT NOT IMPAIRED – TRADE

As at 30 June 2009 trade receivables of \$40,000 (2008: \$162,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The Organisation took legal advice regarding the balance in 2008 that was over 90 days, and this has been collected in full during the 2009 year.

The aging analysis of these trade receivables is as follows:

	2009	2008
	\$000	\$000
Past due 1-3 months	22	59
Past due 3-6 months	17	76
Past due >6 months	1	27
Total trade receivables past due but not impaired	40	162
Total current trade receivables	553	468
Total impaired receivables	0	0
Total trade receivables	553	468

ARTA holds no collateral as security or other credit enhancements over receivables that are past due.

The other classes of receivables do not contain impaired or past due assets.

BAD DEBTS

ARTA has not recognised a loss in respect of bad debts (2008: \$0).

6 TRADE AND OTHER PAYABLES 2009/2008

	2009	2008
	\$000	\$000
Trade creditors	7,035	8,087
Employee benefit liabilities (see note 17)	1,025	850
Accrued expenditure	31,421	34,740
Withholding tax payable	0	5
Deferred income	59	3,076
GST payable	0	185
Total trade and other payables	39,540	46,943

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of these payables approximates their fair value.

7 PROPERTY, PLANT AND EQUIPMENT

	Cost 1/7/07 \$000	Accumulated depreciation & impairment		Carrying amount 1/7/07 \$000	Additions \$000	Disposals \$000	Transfer from WIP \$000	Depreciation expense \$000	Impairment losses \$000	Carrying amount 30/6/08 \$000
		1/7/07 \$000	1/7/07 \$000							
Rolling Stock										
- completed capital projects	88,869	15,876	72,993	4,135	278			10,342		66,508
- work in progress	5,479		5,479	35,187			4,135			36,531
Railway Stations and Buildings										
- completed capital projects	3,897	7	3,890	18,503				495		21,898
- work in progress	2,147		2,147	13,490			6,845			8,792
Wharves and Wharf Structures										
- completed capital projects				19,709				555		19,154
- work in progress				1,997						1,997
Plant, Mach & Other Equip										
- completed capital projects	172	15	157	10,815				764		10,207
- work in progress	464		464	7,646	276		2,137			5,698
Land (finance lease)				15,050						15,050
Total property, plant and equipment	101,028	15,898	85,130	126,532	554		13,117	12,156	0	185,835

	Cost 1/7/08 \$000	Accumulated depreciation & impairment 1/7/08 \$000	Carrying amount 1/7/08 \$000	Disposals \$000	Transfer from WIP \$000	Depreciation expense \$000	Impairment losses \$000	Carrying amount 30/6/09 \$000
Rolling Stock								
- completed capital projects	92,726	26,218	66,508	36,467		13,713		89,263
- work in progress	36,531	0	36,531	38,787	36,467			38,852
Railway Stations and Buildings								
- completed capital projects	22,400	502	21,898	6,204		1,091		26,756
- work in progress	8,792	0	8,792	25,993	6,204			28,581
Wharves and Wharf Structures								
- completed capital projects	19,709	555	19,154	1,896		761		20,289
- work in progress	1,997	0	1,997	4,241	1,896			4,342
Plant, Mach & Other Equipment								
- completed capital projects	10,986	779	10,207	8,119		2,118		16,205
- work in progress	5,698	0	5,698	3,529	8,439			788
Land (finance lease)	15,050		15,050					15,050
Total property, plant and equipment	213,889	28,054	185,835	125,236	53,006	17,683	0	240,125

The finance leases (see Land (finance lease) above) over the Downtown Ferry Terminal waterspace and land are for an indefinite lease term until such time as ARTA does not comply with the required and permitted use clauses in the finance leases. The land subject to these leases is therefore recognised at its fair value until such time as the leases are not to be renewed in perpetuity.

No classes of property, plant and equipment were revalued during the financial year (2008: \$nil).

No impairment losses have been recognised during the financial year (2008: \$nil).

There is no restricted property, plant or equipment, nor has any property, plant and equipment been pledged as security for liabilities.

The net carrying amount of land held under finance lease is \$15,050,000 (2008: \$15,050,000).

8 INTANGIBLE ASSETS

	Accumulated amortisation & impairment		Carrying amount		Disposals	Transfer from WIP	Amortisation charge	Impairment losses	Carrying amount
	Cost	1/7/07	1/7/07	1/7/07					
2008	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Software Development									
- completed capital projects			321				67		254
- work in progress	211		110	321					0
Operating Lease									0
- land			22,522				268		22,254
Total intangible assets	211	0	22,953	321	0	321	335	0	22,508

	Accumulated amortisation & impairment		Carrying amount		Disposals	Transfer from WIP	Amortisation charge	Impairment losses	Carrying amount
	Cost	1/7/08	1/7/08	1/7/08					
2009	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Software Development									
- completed capital projects	321	67	147				181		220
- work in progress	0	0	183	147					36
Operating Lease									
- land	22,522	268	22,254				357		21,896
Total intangible assets	22,843	335	22,508	330	0	147	538	0	22,152

The operating lease intangible has been recognised at its fair value on acquisition and is being amortised over the period of the underlying lease (63 years).

This lease is for the land at each of the railway station sites along the Auckland passenger rail network.

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

No impairment losses have been recognised during the financial year (2008: \$nil). However, government announcements regarding a possible transfer of ownership of rolling stock may give rise to an external indicator of potential impairment. It is too early to accurately judge the impact this indicator will have on the organisation and therefore ARTA is unable to quantify any potential impact at this time.

9 FINANCIAL ASSETS AND LIABILITIES

a) Financial assets at fair value through profit or loss.

Currently, ARTA does not hold any financial assets in this category.

b) Loans and receivables.

This category of financial assets consists of both current and non-current grants receivable from the ARC – these represent the balance of grants receivable from the ARC assumed from Infrastructure Auckland, cash and cash equivalents and debtors and receivables.

The carrying amounts of current grants receivable within one year approximate their fair value.

Non-current grants receivable are not fair-valued but stated at amount payable and the difference between fair value and amount payable is immaterial.

TRANSPORT GRANTS RECEIVABLE FROM THE ARC	Fair values 2009 \$000	Fair values 2008 \$000	Amt receivable 2009 \$000	Amt receivable 2008 \$000
07/08	0	0	0	0
08/09 – current	19,819	18,802	19,819	18,802
09/10 – non-current	1,152	8,470	1,152	9,880
10/11 – non-current	0	0	0	0

There were no impairment provisions for loans and receivables. None of the grants are either past due or impaired.

c) Other financial liabilities at amortised cost.

This category of financial assets consists of both current and non-current grants payable under ARTA's obligations assumed from Infrastructure Auckland and creditors and payables.

The carrying amounts of current grants payable within one year approximate their fair value.

Non-current grants payable are not fair-valued but stated at amount payable and the difference between fair value and amount payable is immaterial.

TRANSPORT GRANTS PAYABLE	Fair values 2009 \$000	Fair values 2008 \$000	Amt payable 2009 \$000	Amt payable 2008 \$000
07/08	0	0	0	0
08/09 – current	19,819	18,802	19,819	18,802
09/10 – non- current	1,152	8,470	1,152	9,880
10/11 – non-current	0	0	0	0

10 FINANCIAL INSTRUMENT RISKS

ARTA and the ARC have a series of policies to manage the risks associated with financial instruments. ARTA is risk averse and seeks to minimise exposure from its treasury activities. ARTA outsources its treasury management to the ARC under the Support Services Agreement and has established a treasury policy. This policy does not allow any transactions that are speculative in nature to be entered into.

Section 3.1 of the rules of ARTA prevent ARTA from entering into any material transaction (including any transaction that has or is likely to have the effect of ARTA acquiring rights or incurring obligations which are likely to have a material adverse effect on the financial performance or position of the ARC) without the prior written approval of the ARC.

MARKET RISK

- Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Borrowings and investments listed at fixed rates of interest expose ARTA to fair value interest rate risk. ARTA currently has no fixed rate borrowings or investments.

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates.

Borrowings and investments issued at variable interest rates expose ARTA to cash flow interest rate.

ARTA currently has no variable rate borrowings. As at the reporting date ARTA had the following variable rate cash and bank investments:

	Weighted Average Interest Rate	2008 Total
Cash and bank investments	5%	148
		148

	Weighted Average Interest Rate	2009 Total
Cash and bank investments	6.27%	105
		105

- Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

ARTA is not exposed to any significant price risk. The ARC manages group price risk by diversification of the group's investment portfolio.

- Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

From time to time ARTA purchases professional services and plant and equipment associated with the construction of certain infrastructural assets from overseas which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk may arise.

It is ARTA's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above specified amounts by entering into forward foreign exchange contracts to hedge the foreign currency risk exposure. This means ARTA is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas. These currency/treasury transactions are managed at group level by the ARC.

The ARC manages ARTA's currency risk by:

- establishing a foreign currency hedging policy for each foreign currency denominated asset; and
- specifying the bounds within which each Fund Manager may take on currency exposures relative to their benchmark; and
- engaging one or more currency execution agents to transact the foreign currency exchange transactions, including both spot and forward transactions, at the most favourable rate.

The instruments Fund Managers may use, and the credit worthiness of the counterparties, are detailed in the investment management agreements with respective Fund Managers. Any forward contracts entered into must be with entities that have an appropriate credit rating as determined by an international credit rating agency for counterparty risk and appropriate contractual arrangements (for example, an International Swaps and Derivatives Association (ISDA) agreement) must be in place between the currency Fund Manager and the counterparty.

The ARC and ARTA have a joint treasury committee (as per the treasury policy of both organisations) who meet to discuss, transact and monitor currency risk.

During the 2009 financial year the main currency for purchase was AUD.

As at 30 June 2009, ARTA has no significant risk and no sensitivity to movements in interest rates, foreign currency or price.

CREDIT RISK

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

There are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. ARTA has no significant concentrations of credit risk in relation to debtors and other receivables, except for existing funding arrangements with the ARC.

ARTA monitors trade receivables on a regular basis and impairment allowances are made if risks are identified, so that ARTA is not exposed to any additional default risk on trade receivables.

For the purposes of section 5 of the Local Government Act 2002, the ARC is to be treated as the sole shareholder of ARTA. In addition, the ARC manages credit risk associated with cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. Derivative counterparties and cash transactions are limited to high credit quality institutions. The Group has policies in place to limit the amount of cash exposure to any one financial institution.

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

ARTA's maximum credit exposure for each class of financial instrument is as follows:

	2009	2008
	\$000	\$000
Cash at bank and term deposits	105	148
Debtors and receivables	43,357	50,543
Loans	0	0
Total	43,462	50,691

LIQUIDITY RISK

Liquidity risk is the risk that ARTA will encounter difficulty raising liquid funds to meet commitments as they fall due.

ARTA's liquidity risk is managed by the ARC under the Support Services Agreement and ARTA is funded on an as needed basis by the ARC. ARC's policy on managing liquidity risk is as follows:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Group maintains a target level of investments that must mature within the next three months. To help reduce liquidity risk, the Group manages its cash requirements by forecasting and utilising flexibility in its funding facilities. The Group aims to minimise the cost of capital through effective cash management. It also has a liquidity policy which targets a minimum level of committed funding facilities to net debt.

At 30 June 2009 the ARC advised ARTA that it had combined committed cash facilities with ANZ, BNZ and Westpac of \$40m (\$45m. 2008)

The table below analyses ARTA's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in table are the contractual undiscounted cashflows:

FINANCIAL LIABILITIES – 2009	< 6 months \$000	6-12 months \$000	1-2 years \$000	2-5 years \$000	> 5 years \$000	Total contractual cashflows \$000	Carrying amount of liabilities \$000
As at 30 June 2009							
Payables	39,540					39,540	39,540
Grants payable	14,596	5,223	1,152			20,971	20,971
Total	54,136	5,223	1,152	0	0	60,511	60,511

FINANCIAL LIABILITIES – 2008	< 6 months \$000	6-12 months \$000	1-2 years \$000	2-5 years \$000	> 5 years \$000	Total contractual cashflows \$000	Carrying amount of liabilities \$000
As at 30 June 2008							
Payables	46,943					46,943	46,943
Grants payable		18,802	9,880			28,682	27,272
Total	46,943	18,802	9,880	0	0	75,625	74,215

The table below analyses ARTA's financial assets into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cashflows:

FINANCIAL ASSETS – 2009	< 6 months \$000	6-12 months \$000	1-2 years \$000	2-5 years \$000	> 5 years \$000	Total contractual cashflows \$000	Carrying amount of liabilities \$000
As at 30 June 2009							
Cash/term deposits	105					105	105
Debtors/receivables	57,914	5,263	1,152			64,328	64,328
Total	58,019	5,263	1,152	0	0	64,433	64,433

FINANCIAL ASSETS – 2008	< 6 months \$000	6-12 months \$000	1-2 years \$000	2-5 years \$000	> 5 years \$000	Total contractual cashflows \$000	Carrying amount of liabilities \$000
As at 30 June 2008							
Cash/term deposits	148					148	148
Debtors/receivables	40,560	103	9,880			50,543	0
Total	40,708	103	9,880	0	0	50,691	148

11 CASHFLOWS

Operating receipts and payments have been presented on a GST exclusive basis.

Generally Accepted Accounting Practice prevents the netting off of monies paid and received except in the case where there is an agency relationship. Receipts and payments, representing monies paid and received on behalf of the territorial authorities (TAs), from New Zealand Transport Agency for roading and bus shelter claims have been netted off in the cashflows from Operating Activities, as such these amounts reflect the activities of the territorial authority not ARTA. The amount netted off relating to TA activities for 2009 was \$171.0 million (2008 \$178.6 million).

12 CONTINGENT ASSETS

ARTA has no contingent assets for the year ended 30 June 2009.

At 30 June 2008 there were no contingent assets.

13 CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2009.

As at 30 June 2008 there were claims against ARTA for damages relating to a contractual dispute which is considered resolved by ARTA in the 2009 year.

14 COMMITMENTS AND OPERATING LEASES 2009 2008

	2009	2008
	\$000	\$000
Capital Commitments		
Approved and Contracted		
- Rolling Stock	6,965	10,334
- Stations	13,740	3,257
- Wharves	963	2,048
- Plant, Machinery and Other Equipment	1,703	1,248
	23,371	16,888
Non-cancellable Operating Lease Commitments		
Current Portion	1,738	1,743
1-2 years	0	0
2-5 years	0	0
	1,738	1,743
Other Non-cancellable Operating Commitments – Rail Contracts		
Current Portion	2,400	2,347
1-2 years	0	1,760
2-5 years	0	0
	2,400	4,107
Other Non-cancellable Operating Commitments – (Including Other Transport Contracts)		
Current Portion	117,469	98,948
1-2 years	28,677	34,287
2-5 years	2,275	3,365
	148,421	136,600

Use of Contracted Services

A significant proportion of services are contracted out to specialist providers. This is done to achieve ARTA's objectives efficiently and effectively.

Rail contracts have been extended to March 2010 only, with annual renewals available until 2014.

15 RELATED PARTY TRANSACTIONS

ARTA is a wholly owned subsidiary of the ARC.

ARC provides funding to ARTA for operating activities and to purchase property, plant and equipment. The values of these transactions are disclosed in Note 1. Details of current and non-current payables and receivables from related parties are disclosed in notes 5 and 9.

ARTA purchases from the ARC shared services in respect of information technology, treasury management, financial processing services and facilities services. The cost of these services is \$2,685,061 for 2009 (\$2,273,452 for 2008).

ARC also provides funding to ARTA in order for ARTA to fulfill its responsibilities under the grants assumed from Infrastructure Auckland as at 1 July 2004.

No intercompany balances have been written off in the year.

Other than the above transactions and using public transport, no directors, senior management or any entities related to them have entered into transactions with the organisation, other than those on normal business terms.

16 EVENTS AFTER BALANCE DATE

There are no events after balance date for the year ended 30 June 2009 which would require noting or adjusting in these financial statements.

There were no events after balance date for the year ended 30 June 2008 which required noting or adjusting in these financial statements.

17 EMPLOYEE BENEFITS

	2009	2008
	\$000	\$000
Employee Benefit Liabilities		
Gratuities	40	37
Accrued salaries and wages	276	222
Accrued annual leave	620	591
Accrued Accident Compensation	89	0
Total	1,025	850
Employee Benefit Expenses		
Gratuities	3	4
Employee termination benefits	0	5
Salaries and wages	11,926	9,807
Total	11,929	9,816

18 BUSINESS COMBINATION

There have been no business combinations during the year ending 30 June 2009.

On 1 October 2007, ARTA acquired, via an Order In Council (dated 24 September 2007), the assets and businesses of ARTNL Harbour Berths Limited and ARTNL Metro Limited, wholly owned subsidiaries of Auckland Regional Transport Network Limited. This acquisition is in line with ARTA's public benefit entity status and purpose.

ARTNL Harbour Berths Limited owned (in part), developed and managed an integrated network of ferry terminals within the Auckland region to facilitate a comprehensive ferry network in accordance with the Regional Ferry Strategy.

The acquired Harbour Berths business contributed revenues of \$1,568,000 and a net loss of \$641,000 to ARTA for the period 1 October 2007 to 30 June 2008.

If the acquisition had occurred on 1 July 2007, revenue would have been \$2,091,000, and the net loss \$855,000.

ARTNL Metro Limited leased, managed and upgraded 39 passenger rail stations within the Auckland region to ensure the provision of safe access for operators and passengers to rail stations.

Details of net assets acquired and discount on acquisition are as follows:

	2009	2008
	\$000	\$000
Purchase consideration	nil	nil
Fair value of assets acquired	nil	77,957
Deferred tax liability	nil	(5,128)
Discount on acquisition	nil	72,829

The assets and liabilities as of 1 October arising from the acquisition are as follows:

	2009	2009	2008	2008
	Fair	Acquiree's	Fair value	Acquiree's
	Value	Carrying Amount	Fair value	Carrying Amount
	\$000	\$000	\$000	\$000
Land subject to finance lease (see note 7)	nil	nil	15,050	nil
Property, plant and equipment (see note 7)	nil	nil	40,385	nil
Operating lease for rail station land (see note 8)	nil	nil	22,522	nil
Deferred tax liabilities (see note 20)	nil	nil	(5,128)	nil
Net assets acquired	nil	nil	72,829	nil
Cash outflow on acquisition	nil		nil	

19 INVENTORY

Inventory of \$5,126,000 (2008: \$3,096,000) comprises spare parts for ARTA's rolling stock; it is held and managed by KiwiRail on ARTA's behalf.

The carrying amount of inventories is measured at the lower of cost and net realisable value.

No inventories are pledged as security for liabilities.

The cost of inventories recognised as an expense during the financial year is \$3,454,000.

There have been no write-downs of inventory to NRV. There have been no reversals of write-downs.

20 INCOME TAX

	2009	2008
	\$000	\$000
Taxation		
Current tax expense	0	0
Adjustments to current tax in prior years	0	0
Deferred tax on temporary differences	440	(193)
Tax expense/(benefit)	440	(193)
Relationship between tax expense and accounting surplus		
Net surplus (deficit) before tax	56,138	121,603
Tax at 33%		40,129
Tax at 30%	16,841	
Plus (less) tax effect of:		
Non-deductible expenditure		
Non-taxable income	(16,841)	(40,322)
Prior year adjustment		
Deferred tax adjustment	440	
Tax expense/(benefit)	440	(193)

Deferred Tax Asset (Liability)					
	Prop, Plan and Equip	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance as at 30 June 2007	0	0	0	0	0
Business acquisition	(5,128)	0	0	0	(5,128)
Charged to income	0	0	0	0	0
Charged to equity	133	0	0	60	193
Balance as at 30 June 2008	(4,995)	0	0	60	(4,935)
Business acquisition	0	0	0	0	0
Charged to equity	0	0	0	0	0
Charged to income	(414)	0	0	(26)	(440)
Balance as at 30 June 2009	(5,409)	0	0	34	(5,375)

21 CAPITAL MANAGEMENT

ARTA's capital is its equity (or owner's interest), which comprise retained earnings and reserves. Equity is represented by net assets.

The owner's interest is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings. The objective of managing these items, as set out in the Local Government (Auckland) Amendment Act (LGAAA) 2004, is for ARTA to plan, fund and develop the Auckland regional land transport system for the Auckland region.

The LGAAA requires ARTA to operate in a financially responsible manner and have regard to the reasonably foreseeable needs of future generations. ARTA has in place asset management plans for major classes of assets detailing renewals and maintenance programmes and must contribute to the ARC's Long Term Council Community Plan in order for the ARC to make adequate and effective provision to fund ARTA's activities in line with its obligations under the Local Government Act 2002.

ARTA has the following reserves:

Capital Grants Reserve – the capital grants reserve represents capital expenditure grants that have not been offset by an associated depreciation charge.

22 COMPARATIVE FIGURES

Comparative figures included in the financial statements relate to the financial year end 30 June 2008. Where necessary these figures have been reclassified on a basis consistent with current disclosure for 2009.

23 AUCKLAND COUNCIL – COUNCIL ORGANISATIONS

Due to enactment of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 the existing local authorities in the Auckland region will be dissolved on 31 October 2010. The functions, duties, and powers of the existing local authorities will become the functions, duties and powers of the single unitary authority (the Auckland Council) that will be responsible for governing the entire Auckland region from 1 November 2010.

The Auckland Transition Agency will develop an organisational structure for the new Auckland Council and appropriate Council Organisations so that the Council can operate efficiently and effectively on and from 1 November 2010. The Auckland Transition Agency will develop a change management plan that includes protocols and processes for managing the transition of:

- i) assets from existing local government organisations to the Council structure;
- ii) staff from existing local government organisations to the Council structure having regard to the existing employment agreements applying to the staff.

Decisions are yet to be made on the Auckland Council's organisational structure and operations including how the Council Organisations (including the Auckland Regional Transport Authority) will be vested and integrated into a relevant organisational structure.

AUDIT REPORT

To the readers of Auckland Regional Transport Authority's financial statements and Performance Information for the year ended 30 June 2009

The Auditor-General is the auditor of Auckland Regional Transport Authority (the Authority). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Authority, on her behalf, for the year ended 30 June 2009.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Authority on pages 81 to 120:
 - » comply with generally accepted accounting practice in New Zealand; and
 - » fairly reflect:
 - the Authority's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The performance information of the Authority on pages 57 to 65 fairly reflects the achievements measured against the performance targets adopted for the year ended 30 June 2009.

The audit was completed on 26 August 2009, and is the date at which our opinion is expressed.

The basis of our opinion, which refers to the new local government structure for the Auckland region, is explained below. We also outline the responsibilities of the Board and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

The financial statements refer to the new local government structure for the Auckland region

In forming our opinion, we considered the disclosures in note 23 on page 120 about the Government establishing a new local government structure for the Auckland region. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 will establish a single unitary authority (the Auckland Council) that will be responsible for governing the entire Auckland region from 1 November 2010.

Decisions are yet to be made on the Auckland Council's structure and operations, including how the Authority will be vested and integrated. We consider the disclosures to be appropriate to the Authority's circumstances.

RESPONSIBILITIES OF THE BOARD AND THE AUDITOR

The Board is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Authority as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The Board is also responsible for preparing performance information that fairly reflects service performance achievements for the year ended 30 June 2009. The Board's responsibilities arise from the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Authority.



David Walker

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand

GLOSSARY

AMETI	Auckland-Manukau Eastern Transport Initiative
ARC	Auckland Regional Council. The ARC is ARTA's sole shareholder
ARLTS	Auckland Regional Land Transport Strategy
ARTA	Auckland Regional Transport Authority
ATP	Auckland Transport Plan
CBD	Central Business District
GRH	Guaranteed Ride Home
KiwiRail	On 1 July 2008, Toll Rail became owned by the New Zealand Government and was renamed KiwiRail. KiwiRail and ONTRACK report to the New Zealand Railways Corporation Board. KiwiRail is responsible for the mechanical maintenance of the Auckland train fleet.
NZTA	NZ Transport Agency. In August 2008, the NZ Transport Agency was established by merging Land Transport New Zealand and Transit New Zealand.
RARP	Regional Arterial Road Plan
RLTP	Regional Land Transport Programme
RWC	Rugby World Cup
SoI	Statement of Intent, prepared annually by ARTA's Board of Directors
TDM	Travel Demand Management
TM	Total Mobility

DIRECTORY

CHIEF EXECUTIVE

Fergus Gammie

BOARD OF DIRECTORS

Rabin Rabindran (Chairman)

Adrienne Young Cooper (Deputy Chair)

Mark Benjamin

Peter Brothers

Andrew Buxton

Anthony Marks

Gary Taylor

Mike Williams

REGISTERED OFFICE

Level 3, 21 Pitt Street

Auckland Central

WEBSITES

www.arta.co.nz

www.maxx.co.nz

www.travelwise.org.nz

POSTAL ADDRESS

Private Bag 92236

Auckland 1142

Telephone

09 379 4422

AUDITORS

Audit New Zealand

SOLICITORS

Bell Gully

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