

Road Corridor Financial Report

Recommendation

That the Board

- i) Receives this report.

Executive summary

This report provides a more in depth summary of the activities of the Road Corridor Group.

The Road Corridor Group comprises Road Corridor Maintenance (RCM), Road Corridor Access, Road Corridor Operations (RCO), Joint Traffic Operations Centre (JTOC) and Auckland Traffic Operations Centre (ATOC).

The purpose of this report is to provide the Board with a greater level of detail on both financial and physical performance.

Road Corridor Maintenance

The Road Corridor Maintenance (RCM) department is responsible for the management, maintenance and renewal of the AT road network in accordance with the agreed levels of service.

The AT road network comprises 7,269 km of roads, 600 road bridges, 52 footbridges, 374 major culverts, 114 km of off-road cycleways, 6,866 km of footpaths and 104,245 street lights.

Financial Overview

FINANCIAL YEAR 2013/2014					
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast	Full Year Budget
Renewals	115,587	119,681	4,094	193,836	184,418
Operating Expenditure	57,730	59,385	1,655	89,299	87,213
TOTAL	173,317	179,006	5,749	283,135	271,681

Summary

The full year forecast increase of \$11m compared with the full year budget is mainly due to the transfer of the road reconstruction programme which was classified as new capex into the road renewals programme. Because this additional cost is offset by a reduction elsewhere, we do not propose any remedial action to reduce current forecast expenditure to budget.

Operating expenditure is marginally behind the year to date forecast with 65% of the annual forecast budget expended as at 28 February 2014.

Renewal expenditure is also running largely to forecast following the re-profiling of the renewal spend to better match the construction season. Expenditure as at 28 February 2014 is 60% of the total approved forecast for the year.

Both renewal and operating expenditure are on track for the full year.

Expenditure by Area (excluding cost centres)

(a) North

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Renewals	30,267	29,699	(568)	48,701
Operating Expenditure	16,447	17,280	833	24,581
TOTAL	46,714	46,979	265	73,282

Comments:

- Both operating and renewal expenditure are on track to forecast
- Good progress has been made with the resurfacing programme with 15.6 kms of asphaltic concrete resurfacing and 83.2 kms of chipsealing completed to date. The resurfacing programme is on target to be completed by the end of March.
- There has been 18 kms of pavement renewals completed to date with projects recently completed. These being Stage 1 of Kaipatiki Road between Stanley Road and Easton Park Parade, Hugh Green Drive, Kaipara Flats Road and Riverhead Road.
- Work is progressing on Stage 2 of the pavement rehabilitation of Kaipatiki Road between Easton Park Parade and Glenfield Road. It is intended that the remaining pavement works be undertaken at night to minimise the impacts for road users and those travelling to and from Glenfield College.
- There are pavement renewal projects currently underway on Colonial Road, Bentley Avenue, Lonely Track Road and Whangaripo Valley Road
- The re-greening of the cycle boxes on Lake Road has been completed using a synthetic colored aggregate adhered with a thermosetting resin compound
- The investigation and design associated with the Victoria Road Retaining Wall is underway with the intention of completing the physical work this financial year
- Scour repairs will be undertaken shortly on a number of bridges in the Rodney area including Cames Bridge (Pakiri Road), Edwards Bridge (Woodcocks Road), Remiger Bridge (Remiger Road) and Leathers Bridge (Matakana Road)
- There has been 13.1 kms of footpaths either resurfaced or replaced to date
- The Request for Tenders (RFT) for the new road maintenance contracts for the northern area closed on 27 February 2014. There will be three maintenance contracts (two urban and one rural) each with a value of approximately \$20 million per annum. The contracts comprise all road maintenance and renewal activities in the road corridor excluding street lighting, street tree maintenance and cesspit cleaning. The new contracts will commence on 1 July 2014 and be for a term of 4+2+2 years.

(b) Central

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Renewals	28,778	32,259	3,481	60,972
Operating Expenditure	11,062	11,869	807	17,609
TOTAL	39,840	44,128	4,288	78,581

Comments:

- Renewal expenditure is behind forecast. This is primarily due to several major pavement renewal projects being delayed. Consideration is being given to carrying out some additional resurfacing projects should these pavement renewals not be able to be completed this financial year.
- In the coming months there will be continued focus on delivering the remaining renewal projects
- Operating expenditure is a little behind forecast due, in part, to the costs associated with cesspit cleaning carried out by AC not yet being brought to charge
- There has been good progress in delivering the hotmix programme with 30.9 kms of asphaltic concrete surfacing now completed. Projects have recently been completed on Church Street (Onehunga), Mt Wellington Highway, Carbine Road, Tarwera Terrace, Parnell Rise, Parliament Street, Grafton Road, Beachcroft Road, Waipuna Road and the Eilerslie-Panmure Highway.
- Chipsealing commenced in January and 24.1 kms of chipsealing has been completed to date. The remaining chipseal sites will be completed in March.
- The pavement renewal project on Hillsborough Road was completed in February and the Dominion Road Extension project (between Hillsborough Road and Nash Road) is progressing well and expected to be completed in mid-March
- The carrying out of the pavement works for the Orakei Road pavement renewal project has been delayed pending the completion of the new boardwalk on the southern side of the road. Work on the northern side will be completed and will then recommence on the southern side when the boardwalk is available for use by pedestrians in late April.
- Pavement works will be commencing shortly on Carlton Gore Road following the completion of the enabling works undertaken by AT on behalf of AC and Watercare
- To date there has been 24.4 kms of footpaths either resurfaced or replaced in the central area. Some projects have been delayed due to the need to resolve issues relating to the installation of ducting for the UFB rollout.

- Instructions have been given to our maintenance contractors to mow grass berms in our urban areas which are not being maintained by the adjoining landowner. Following the decision being made by AC to cease funding the mowing of grass berms in the central area it is our expectation that the adjoining landowner will mow these areas. However, if they cannot or do not then we are periodically mowing these areas so as to prevent them becoming overgrown and unsightly. The timing and frequency of mowing is at the discretion of AT and will vary depending on seasonal conditions. Generally urban berms which are not being maintained by the adjoining landowner will be maintained to a Type C standard which means that the intervention level is a grass height of 200 mm. The cost of additional Berm maintenance has not been material to date.

(c) West

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Renewals	18,774	20,342	1,568	32,678
Operating Expenditure	5,542	5,680	138	9,191
TOTAL	24,316	26,022	1,706	41,869

Comments:

- Operating expenditure is on track to forecast
- Renewal expenditure is a little behind forecast but is still at 57% of approved forecast budget. The remaining budget is committed so it is expected that this will catch up over the next two to three months.
- There have been 10.3 kms of asphaltic concrete resurfacing and 26.8 kms of chipsealing completed to date. There had previously been an issue with the availability of resources to complete this work which has been addressed with the maintenance contractor.
- There has been 3.3 kms of pavement renewals completed to date with projects completed on Great North Road, Portage Road, Margan Avenue, Kinross Street, Birdwood Road, Henderson Valley Road, Nikau Street and View Road
- There are further pavement renewal projects underway at Kervil Avenue, Rimu Street, Blockhouse Bay Road and West Coast Road
- Slip repairs involving the construction of retaining walls and road restoration has been undertaken at a number of sites on Titirangi Road, Titirangi Beach Road, Candia Road and Laingholm Drive
- Preliminary work is underway to enable the carrying out of the major slip repair at 597 South Titirangi Road. The resource consent process and procurement issues associated with an increase in the project cost could potentially delay the start of the physical works. The intention is to complete the physical work before winter if possible.
- There has been 8.9 kms of footpaths either resurfaced or replaced to date

(d) South

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Renewals	31,390	31,017	(373)	47,910
Operating Expenditure	11,309	12,443	1,134	19,149
TOTAL	42,699	43,460	761	67,059

Comments:

- Renewal expenditure is running a little ahead of forecast with good progress made on pavement renewals and resurfacing during February
- Operating expenditure is behind forecast due to a reduced level of spend on pavement maintenance, footpath maintenance and road marking as a result of the respective contractors running behind programme. This will be caught up over the next two to three months.
- There have been 15.8 kms of asphaltic concrete surfacing and 120.3 kms of chipsealing completed to date. Good progress has been made on chipsealing during February with 52 kms of chipseal completed. The majority of sites have been urban roads. There have been a relatively small number of customer complaints despite the high volume of work undertaken over the last month. Stancombe Road in Flat Bush has been added to the asphaltic concrete resurfacing programme due to the deterioration of this road caused by quarry trucks.
- There has been 10.8 kms of pavement renewals completed to date with projects completed on Te Irirangi Drive (two sections), Ti Rakau Drive (two sections), Great South Road (Manurewa), Great South Road (Manukau), Princes Street (Otahuhu), Mahia Road, Hill Road (Manurewa), Hunua Road (at Winstones Quarry), Pukeoware Road, Whitford-Maraetai Road, Takinini Clevedon Road, Costello Road, Massey Avenue (Pukekohe) and Queen Street (Pukekohe). Much of the work on the main traffic routes has been undertaken at night to lessen the impacts for road users.
- Pavement renewal projects are currently underway on Great South Road (Coles Crescent to Subway Road), Carruth Road (Papatoetoe), Rogers Road (Puni), King Street/West Street roundabout (Pukekohe) and East Street (Pukekohe). The work on East Street will be completed by the end of March prior to the holding of the V8 Supercars event at Pukekohe on 24-27 April 2014.
- In March there are pavement renewal projects programmed to start on Cook Street (Howick), Prince Regent Drive (Half Moon Bay), Great South Road (Browns Road to Grande Vue Road) and Hunua Road (Winstones quarry to Dominion Road)
- The retaining walls on Hunua Road are now approximately 70% complete. The adjoining road carriageway is programmed for renewal in March following completion of the retaining walls. This road carries high numbers of quarry trucks to and from Winston's Quarry.

- Vector will soon be commencing undergrounding existing overhead power cables on several streets in Pakuranga and Mangere. New street lights will be installed in conjunction with the undergrounding of the power cables.
- There has been 21 kms of footpaths either resurfaced or replaced to date.

(e) Street Lighting

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Renewals	6,377	6,363	(14)	9,004
Operating Expenditure	11,843	11,062	(781)	16,996
TOTAL	18,220	17,425	(795)	26,000

Comments:

- Renewal expenditure is on track to forecast
- Operating expenditure is ahead of forecast due to increased electricity charges and the costs associated with additional street lights vested as a result of completed subdivisions. There was also a sharp increase in the number of fault calls received in January which coincided with the sending out of the rates invoices.
- To date this year there has been 2,457 luminaires renewed and 551 street light poles replaced.

Expenditure Breakdown by Asset Type and Activity

(a) Renewal Expenditure

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Drainage	8,446	8,844	398	13,228
Footpaths/Cycleways	10,837	12,431	1,594	24,636
Road Pavement	26,061	27,472	1,412	64,327
Resurfacing	47,756	46,183	(1,573)	52,767
Pre-seal Repairs	9,140	8,564	(576)	11,878
Bridges/Major Culverts	2,875	2,872	(3)	8,233
Traffic Services	303	439	136	1,453
Street Lighting	6,377	6,363	(14)	9,004
Other	3,792	6,513	2,720	8,320
TOTAL	115,587	119,681	4,094	193,836

Comments:

- Expenditure on renewals is 3% behind forecast due to the spend in Central and West being behind forecast as at the end of February. The remaining funding is committed and it is expected that this will catch up over the next two to three months.
- Expenditure on road resurfacing (including pre-seal repairs) to date is \$56.9 million and is 88% of the available budget of \$64.6 million. The road resurfacing budget makes up 33% of the total forecast renewal spend of \$193.8 million.
- There has been 72.6 kms of asphaltic concrete surfacing completed to date compared with a target length of 92.7 kms. There has been a further 254.4 kms of chipsealing completed which is 73% of the programme of 347.0 kms.
- There has been 35.2 kms of pavement renewals completed to date which is 68% of the programme of 51.9 kms
- The forecast annual spend on road pavements and resurfacing is \$129 million and is 67% of the total forecast renewal spend of \$193.8 million

(b) Operating Expenditure

FINANCIAL YEAR 2013/2014				
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast
Drainage	5,247	5,732	485	8,826
Footpaths/Cycleways	1,863	2,072	209	2,913
Carriageway Maintenance	11,473	12,091	618	18,502
Vegetation Management	9,160	9,458	298	13,981
Bridges/Major Culverts	851	1,107	256	1,890
Traffic Services	7,275	7,366	91	10,731
Streetlighting	11,843	11,062	(780)	16,996
Town Centre Cleaning	4,375	4,554	180	6,773
Emergency Reinstatement	2,295	2,257	(38)	2,805
Other	3,348	3,686	336	4,108
TOTAL	57,730	59,385	1,655	89,299

Comments:

- Operating expenditure is on track to forecast as at the end of February
- The forecast for street lighting maintenance and power charges is \$17 million which is 19% of the total forecast operating expenditure
- Similarly expenditure on vegetation management comprising mowing, weed control and tree maintenance in the rural areas is forecast to be \$14 million and will make up 16% of the total forecast operating expenditure

Road Corridor Access

The Road Corridor Access department performs the role of Corridor Manager as outlined in the National Code of Practice for Utility Operators' Access to Transport Corridors (National Code).

The role of the Corridor Manager is to:

- receive and process notifications of proposed works in the road corridor;
- review and approve traffic management plans;
- set reasonable conditions relating to the carrying out of works in the road corridor so as to minimise the traffic impacts of the works, ensure the safety of road users and road workers, minimise disruption for adjoining residents and protect the integrity of existing road and utility assets;
- coordinate, where practicable works in the road corridor and facilitate the sharing of forward work programmes; and
- monitor compliance with these conditions and the requirements of the National Code.

All excavation work within the road corridor requires a Corridor Access Request (CAR) application and Traffic Management Plan to be lodged and approved by the Corridor Manager prior to the carrying out of the works.

The National Code and relevant utility legislation allow the Corridor Manager to recover the cost of processing CAR applications and monitoring compliance from utility operators.

Other key functions of the department include the approval of temporary road closures for road and utility works, the provision of information on approved works and activities in the road corridor, the processing and issuing of overweight permits, the review and approval of new vehicle entrances and the carrying out of street damage inspections.

Financial Overview

FINANCIAL YEAR 2013/2014					
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast	Full Year Budget
Revenue	(2,237)	(2,013)	224	(2,899)	(2,639)
Expenditure	3,331	3,883	552	6,228	6,329
TOTAL	1,094	1,870	776	3,329	3,812

Commentary

To the end of February 2014 actual revenue was \$2.24 million which compares favourably with the Q2 reforecast of \$2.13 million. This favourable variance reflects the introduction of the fee schedule approved last year which provides for a higher level of cost recovery.

Actual expenditure of \$3.33 million also compares favourably with the Q2 reforecast of \$3.88 million. This positive variance is due to both salary and consultant costs being less than forecasted. The level of cost recovery of the department for the year to date is 67%.

Revenue Breakdown

Revenue can be further broken down as follows:

REVENUE 2013/2014				
Activity	Actual YTD	Forecast YTD	Variance	Full Year Forecast
CAR Applications	(780)	(629)	151	(838)
CAR Compliance Monitoring	(470)	(474)	(4)	(744)
Street Operation Permits	(141)	(119)	22	(162)
Temporary Use Permits	(126)	(102)	24	(158)
Street Damage Inspections	(441)	(429)	12	(622)
Vehicle Crossing Permits	(265)	(238)	27	(335)
Overweight Permits	(14)	(22)	(8)	(40)
TOTAL	(2,237)	(2,013)	224	(2,899)

The various revenue streams are as follows:

(i) *CAR Applications/Compliance Monitoring*

Charges for the processing of Corridor Access Requests and the monitoring of the associated physical works.

(ii) *Street Operation Permits*

Street operation permits are required for activities in the road corridor not involving an excavation but which affect the normal operation of the network. These activities include the inspection of manholes, work on overhead power lines, placement of mobile cranes etc.

(iii) *Temporary Use Permits*

Temporary use permits are required to place scaffolding, hoardings, gantries, temporary loading zones etc. in the road corridor when carrying out construction and development activities on the adjoining land. The exclusive use of the road corridor incurs occupancy charges which are based on the location, area of road reserve utilised and the duration of the occupation.

(iv) *Street Damage Inspections*

The street damage inspection fee is \$75.00 (including GST). The street damage inspection fee is a non-refundable fee that covers the cost of a post-completion inspection of the road assets following the carrying out of building developments.

(v) *Vehicle Crossing Permits*

The vehicle crossing permit fee is \$270.00 (inclusive of GST) of which \$191.70 (inclusive of GST) is paid to AT. This fee covers the administration costs associated with processing the permit as well as three site inspections – an initial site inspection, a pre-pour inspection and a final inspection following the completion of the physical work.

(vi) *Overweight Permits*

The fees for overweight permits are prescribed in the Heavy Motor Vehicle Regulations. AT receives the fees for single trip, multiple trip and continuous permit applications relating to use of the AT road network.

Corridor Access Request Applications

There were 1,343 CAR applications approved in February 2014 which compares with 1,164 in January 2014 and 1,215 in February 2013.

In the eight months to the end of February 2014 there has been 10,210 CAR applications approved to carry out work on the road network.

Ultra-Fast Broadband Rollout

There is a high volume of work underway on the network with 267 Year 3 (2013/14) cabinet areas currently under construction and a further 55 cabinet areas programmed to commence in March. The Year 3 build comprises 431 cabinet areas of which 109 have been completed to date. The deadline set by Crown Fibre Holdings for Chorus to complete the Year 3 build is 31 May 2014.

To date 420 of the 522 Year 1 and Year 2 cabinet areas have had all outstanding remedial work completed and commenced their warranty period.

The target of completing all the remedial work associated with the Year 1 and Year 2 build by the end of February 2014 has not been met despite best endeavours by Chorus and VisionStream. The completion of this work remains a priority for Chorus and it is expected that the remedial work on the remaining cabinet areas will be fully completed by the end of May 2014. The remaining cabinet areas are predominantly in East Tamaki, Glenfield and Ponsonby.

The target of closing out not less than 105 of the Year 3 cabinet areas by the end of February has been met and the carrying out of this work on an 'as you go' basis will ensure that the current backlog of remedial work should not recur in the future.

In recent months the demand for customer connections has increased to 50 connections per week. The connections require the installation of fibre from the core network into the customer's premise and normally involve some minor excavation work around the boundary connection plinth. The work is required to be completed within three days of customer request. It is expected that the demand for customer connections will continue to increase as the rollout of fibre continues and more retailers enter the market to offer fibre connection packages to customers.

Watercare Hunua - Number 4 Bulk Watermain

There are currently two crews working at Tidal Road in Mangere and Milan Road/Tutere Road in Papatoetoe.

The works on Tidal Road require the road to be closed to through traffic and a diversion is in place along Skipton Street and Henwood Road. It is expected that Milan Road will be reopened shortly as the pipeline construction moves northwards. Following the completion of the work on Tutere Road the pipeline will cross Wyllie Road then proceed west along Pah Road.

A further specialised rock crew started work on Mountain Road in February. This work requires the closure of Mountain Road to through traffic between Creamery Road and Coronation Road. It is expected that the work on Mountain Road will be completed by early May.

Watercare Pakuranga Rising Main

Work has commenced in January on the construction of a new 0.9 metre diameter sanitary sewer rising main in the carriageway of Pakuranga Road and Lagoon Drive in the vicinity of the Panmure Bridge. The existing cast iron main is at the end of its service life and is at risk of failure. The carrying out of this work was delayed pending the completion of Transpower's high voltage power cables on Ti Rakau Drive and the South Eastern Arterial.

The initial work on Lagoon Drive involves the excavation of a trench down the centre of the road and has required traffic to be reduced to one lane in each direction. To date this work has caused minimal disruption partly because some motorists have already chosen to divert to the South Eastern Arterial as a result of the AMETI works.

Changes have been made to the Pakuranga Road/Millen Avenue intersection to enable the work to proceed on the eastern side of the bridge. These involve a lane shift and the removal of the right-turn turn into Millen Avenue so as to enable two traffic lanes in each direction to be maintained on Pakuranga Road. These changes are being closely monitored and have not caused any major issues.

50 MAX

AT has delegated authority to NZTA to issue 50MAX permits on the AT network effective from 1 January 2014. This will enable approved 50MAX vehicles to operate with a combined gross mass of up to 50 tonnes on the road network.

50MAX vehicles are High Productivity Motor Vehicles (HPMVs) that have an additional axle and are longer than conventional vehicles so as to ensure that axle and axle group loads remain within the existing Class 1 limits. This means that they will cause no more wear to pavements or structures than standard Class 1 trucks and will potentially enable them to utilise parts of the network that previously would not have been available to HPMVs.

The use of 50MAX vehicles will deliver productivity gains by enabling more freight to be moved with fewer trucks and will require no additional capital or operational investment.

There are 24 bridges on the network which have been assessed as unsuitable for use by 50MAX vehicles. Most of these structures are already posted with weight restrictions and are not available for use now by Class 1 vehicles. The roads on both Waiheke Island and Great Barrier Island have also been assessed as unsuitable for use by 50MAX vehicles but it is considered that demand in these areas will be low in any case.

Road Corridor Operations

The purpose of the Road Corridor Operations (RCO) department is to contribute to one transport system that delivers a satisfying experience to our customers. We do this by:

- Providing an integrated 'single network' approach to moving people and goods safely and effectively throughout the Auckland region
- Enabling customers to make smarter, more informed choices about the way they travel
- Achieving the most from Auckland's transport services and infrastructure

RCO reports on three of AT's SOI targets: - Arterial Productivity; Travel Time on Strategic Freight Routes, and Fatal and Serious Crash Reduction.

RCO comprises the following four business units, with their core functions:

<p>Traffic Operations Unit</p> <p>Focus on Network operation, improvement and customer service (based in the four regional service centres)</p> <ul style="list-style-type: none"> • Respond to customer Requests for Service/Information • Co-ordinate AT input into Resource Consents and support AC in the Housing Project Office • Input to and approve designs • Initiate network efficiency improvements (e.g.; SmartRoads) 	<p>Traffic Systems Unit</p> <p>Focus on Network planning and improvement for Intelligent Transport Services across the region</p> <ul style="list-style-type: none"> • Optimise key routes • Monitor and improve road corridor productivity • Input to and approve designs • Plan the installation of new Traffic Signals and CCTV and implement new technology
<p>Road Safety Unit</p> <p>Leading Road Safety improvements Regionally and Nationally through a Safe System approach</p> <ul style="list-style-type: none"> • Lead strategic planning of Auckland Road Safety through Regional Steering Group • Investigate & deliver Road Safety engineering • Develop Safe Speeds, Safe Roads, & Road Users • Fatal & serious crash management • Influence & lead national Safe System initiatives in conjunction with NZTA 	<p>Regulations & Standards Unit</p> <p>Focus on effective standards, systems and processes</p> <ul style="list-style-type: none"> • Develop and shape Transport policy, standards and regulations • Develop and facilitate systems and processes (e.g.: Traffic Control Committee process) • Carry out transport research • Harmonise Legacy bylaws. Coordinate AT input into and prepares bylaws in conjunction with AC, through the Bylaws review programme

Operating the road corridor also includes the Joint Transport Operations Centre (JTOC) and the Auckland Transport Operations Centre (ATOC).

The JTOC is responsible for the active operation of the road network leveraging on Intelligent Transport Services (Traffic Signals, Electronic Signs, CCTV etc.), as well as monitoring and responding to traffic incidents.

The ATOC provides a consolidated environment to manage AT business services such as special events, public transport operations (Ferry, Rail, Bus); Parking, AIFS alarm monitoring and after hours AT customer services support.

Financial Overview - RCO

FINANCIAL YEAR 2013/2014					
Year to Date Expenditure (\$000)	Actual	Forecast	Variance	Full Year Forecast	Full Year Budget
Expenditure – Opex	11,511	11,917	406	20,008	22,765
Expenditure – Capex	16,031	18,726	2,695	36,084	30,593
Expenditure - Renewals	2,052	2,198	146	2,852	3,782
TOTAL	29,594	32,841	3,247	58,944	57,140

Commentary

Opex expenditure is on track as at February 2014, with a slight variance of approximately 3% behind forecast. The bulk of this expenditure relates to the investigation phase of projects in preparation for the 2013/14 and 2014/15 capital delivery of these projects through the Minor Safety Improvements, Route Optimisation, Bus and Transit Lanes programmes of work. A considerable proportion of this expenditure, approximately one third, also represents effort in dealing with customer initiatives such as requests for service/information, resource consent input and real time network performance reporting.

Capex expenditure is behind forecast as we gear up work packages for delivery in the final quarter. This variance has been corrected in the third annual reforecast, which is yet to be approved.

Renewals expenditure is tracking favourably against forecast and this expenditure relates mostly to the maintenance and renewals of existing traffic signal infrastructure through the JTOC.

Key RCO Projects/Initiatives

Regional Bus and Transit Lane Review

Trial bus and transit lane improvement measures were implemented on five roads in 2012 to address public confusion and inconsistent implementation of the lanes. The measures included: a solid green lane line and a dashed white and green line indicating the 50 metre mark in advance of an intersection. RCO is currently assessing the trial results for potential roll out across the region. Assessment has also been undertaken on the introduction of double decker buses on 11 key routes to provide increased capacity. Designs and estimates are currently being prepared for modifying verandas, service poles and trees on five key routes to enable double decker bus use, with implementation planned for the first half of 2014/15.

Route Optimisation

This programme of work looks at the current and short-term (one to two years) planned operation of Auckland's urban arterial roads to get more efficient and consistent traffic flow. The work facilitates the efficient and safe movement of all modes of traffic including public transport (buses), freight, general traffic, cyclists and pedestrians. Key to the optimisation is the co-ordination of the traffic flow through traffic signal operations complemented by time limited parking restrictions, special vehicle lanes and minor physical improvements to remove constrictions. When AT was formed a major initiative was launched to get better and more consistent traffic signal operations across all key arterial routes. A \$10 million, four year programme was developed and is funded by the NZTA to review, evaluate and optimise traffic flow on Auckland's arterial roads. The programme is in its third year and when completed there will be on-going review of the key arterial routes on a four year cycle to maintain efficiency as the transport network grows and develops.

Network Performance and Monitoring

Network performance captures a number of workflows to better understand and manage how our road transport is working and how we want it to work. Key components are monitoring and reporting on the performance of the urban arterial routes by obtaining sample GIS data on a continual basis for understanding travel times through the day and their associated level of service. This data is also used for the travel time performance reporting on the freight network. Complementing the travel time data with vehicle counts and people movement data enables us to determine the productivity or people movement efficiency of key corridors, which is a key SOI measure. This data is used to provide our customers with real time travel information, which is published on the AT website.

Crash Reduction Study (CRS) Programme

This programme involves an annual prioritisation of high-risk routes and intersections across the region using NZTA criteria and guidelines, including five-year crash data. These sites are studied in detail with input from NZTA, NZ Police and road safety educators, and a programme of safety engineering improvements are generated for implementation that will provide significant reductions in fatal and serious injuries and value for money over a three year period.

RCO typically studies 100 high-risk routes/intersections and completes improvements at 50 of these each year in collaboration with enforcement and education initiatives. In addition to this, we typically carry out 40 fatal crash investigations each year of which 60% result in safety engineering improvements. The CRS programme is monitored in terms of reductions in fatal and serious injuries and makes a significant contribution to the SOI target of an annual 2.5% reduction in fatal and serious injuries.

Auckland Transport Code of Practice (ATCOP)

ATCOP is the Auckland wide code of practice for transport related infrastructure standards and is intended to better represent AT's approach and to remove unnecessary inconsistencies inherited from the different infrastructure standards of the various Legacy Councils. RCO has coordinated the development of ATCOP, which commenced development in July 2011. The first draft is now complete and targeted external stakeholder consultation is underway with the final date for submissions being 31 March 2014.

It is hoped that the post-consultation updated version of ATCOP will be submitted to the Board for approval at its May 2014 meeting. Thereafter, it will be formally adopted and published on AT's website as a "living" e-Document, which can respond readily to relevant technological advancements and improved 'best practice' approaches.

Roadsafe Auckland Executive (RAE)

The RAE is a new senior leadership group formed in 2013 to provide strategic road safety leadership across Auckland, including raising the profile of road safety issues and lobbying nationally for road safety improvements, where required.

The RAE includes Greg Edmonds (AT), NZTA Regional Director (North), Ernst Zollner and Allan Boreham (NZ Police) and meets quarterly to monitor the progress of the Regional Road Safety Plan, four Local Road Safety Action Plans, and overall road safety Performance Indicators for the region.



The RAE focuses on supporting initiatives that are going to make a significant contribution to the SOI target of an annual 2.5% reduction in fatal and serious injuries. Recent RAE actions included strategies for preventing further alcohol-related crashes and speed-related crashes - two of the leading crash factors in the region. This included support for the introduction of the Government's lower adult 0.05 Blood Alcohol Content (BAC) driving limit by improving links between public transport and drink/driving safety campaigns, updating organisational safe driving policies, and providing clear communication on what '0.05 BAC' will mean for drivers; and the endorsement of the introduction of a lower NZ Police speed-tolerance approach towards drivers across the region during the recent holiday period.

AT Bylaw review program

AT is responsible for all Legacy Council bylaws made under the Land Transport Act 1998 that apply to the Auckland transport system that are necessary for the management of local roads and public transport. AC and AT are jointly reviewing the Legacy bylaws that apply in areas administered by AT and AC, aiming for an integrated and rationalised approach for new Auckland wide bylaws to ensure less duplication and greater consistency across the region.

To date RCO has prepared the following bylaws in conjunction with AC: Traffic; Speed Limits; Election Signs; and Public Safety and Nuisance. The following bylaws are currently under development with AC: Signage; Trading; Stock Movement on Roads and Construction on roads.

Document ownership

Submitted by	Nick Roadley Roading Financial Manager	
	Steve Smith Finance Manager	
Recommended by	Richard Morris Chief Financial	
Approved for submission	David Warburton Chief Executive	

Glossary

Acronym	Description	Business Unit
CAR	Corridor Access Request	
SOI	Statement of Intent	
UFB	Ultra Fast Broadband	