

Land Transport New Zealand Annual report

for the year ending 30 June 2007

This *Annual report* records our achievements in pursuing our strategy to ensure delivery of the government's land transport objectives and wider transport vision.



Annual report 2007

More information...

Land Transport New Zealand
Published November 2007

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This *Annual report* is also available
on Land Transport NZ's website at
www.landtransport.govt.nz

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Land transport that leads to a better New Zealand

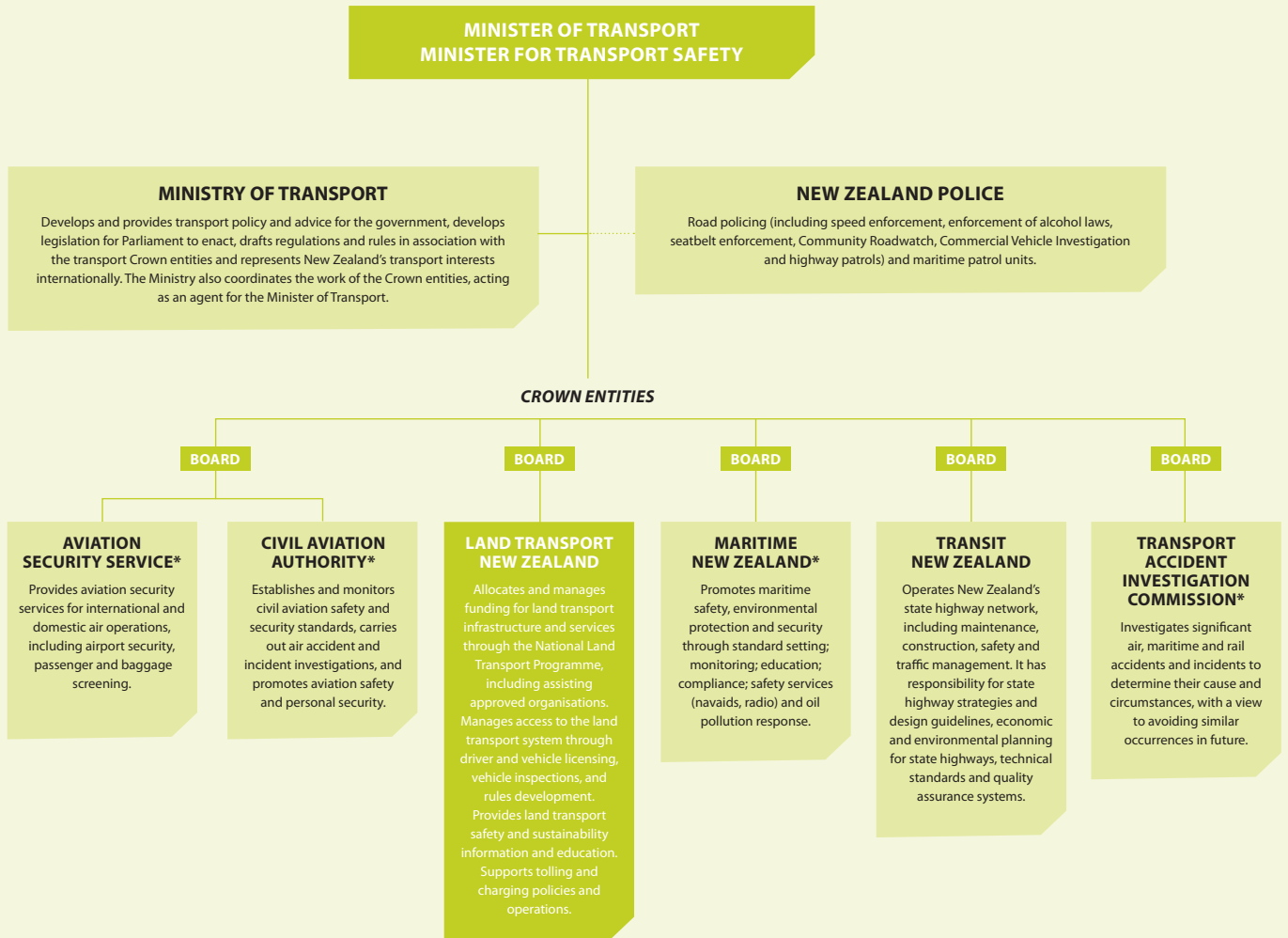
Our statutory objective is to contribute to an integrated, safe, responsive, and sustainable land transport system.

Presented to the House of Representatives pursuant to
Section 151(3) of the Crown Entities Act 2004.

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THE NEW ZEALAND GOVERNMENT TRANSPORT SECTOR



THREE STATE-OWNED ENTERPRISES WITH TRANSPORT FUNCTIONS

Airways Corporation of New Zealand Limited – Provides air traffic management services and provides the Ministry with Milford Sound/Piopiotahi Aerodrome landing and take-off data.

Meteorological Service of New Zealand Limited* – Provides public weather forecasting services and provides meteorological information for international air navigation under contract to the CAA.

ONTRACK – Manages Crown railway land and the national rail network. Legislation is currently before Parliament to transform ONTRACK into a Crown entity, similar to Transit New Zealand.

CROWN-ESTABLISHED TRUST

Road Safety Trust – This Crown-established trust provides funding for road safety projects and research with revenue received from the sale of personalised vehicle registration plates.

LOCAL GOVERNMENT

The sector works closely with local government. Local authorities own, maintain and develop New Zealand's local road network and perform important regulatory transport functions. Regional councils (and unitary authorities) are required to develop regional land transport strategies that guide the transport decision making of local councils, and also fund public transport and Total Mobility schemes in conjunction with Land Transport New Zealand. In the Auckland region, the Auckland Regional Transport Authority carries out these functions. Some local authorities own seaports and airports, or share ownership with the Crown.

* Denotes an agency the Minister for Transport Safety oversees



Chair's report

I am pleased to present Land Transport New Zealand's report for 2006/07.

This was Land Transport NZ's second full year of operation.

In essence, 2006/07 was the 'bedding in' year for our safety and funding activities. It was also a year where we began to articulate the principles and action needed to develop a sustainable land transport system.

To assist our partners and stakeholders to understand our thinking around sustainability, we developed and published 13 trend statements that are being used to indicate progress towards a sustainable land transport system (see page 14 for the trend statements). These trends, which deal primarily with economic and environmental sustainability, cover infrastructure, user behaviour, vehicles, links with land use, legislation, the private vehicle fleet and the commercial and freight fleet. We will continue this work in 2007/08 by developing a framework that provides our staff with strategic guidance to aid the development and delivery of sustainability initiatives.

At the same time, the organisation has continued to assist and advise its partners, stakeholders and customers to ensure the smooth operation of the land transport system. Over the past 12 months we have:

- > promoted sustainable and safe land transport
- > allocated \$2 billion to improve land transport
- > regulated fairly to protect people and the environment
- > engaged with communities, government and the transport industry.

Our partners and stakeholders have told us we're on the right track. Our 2006/07 stakeholder survey results report 79 percent satisfaction with our service, a slight increase over 2005/06.

Board members have continued to guide the organisation with expertise and energy. The Board has changed considerably this year, with four new faces on the team of seven.

It is with regret that we farewelled Chair Dr Jan Wright in February. Jan, who was Chair of Land Transport NZ when the agency was established in 2004, led the organisation with much skill and care through a time of considerable transition. She is now our country's Parliamentary Commissioner for the Environment. We thank Jan for her vision and enthusiasm and wish her well in her new role.

We also farewelled original Board members Gerry Te Kapa Coates and Bryan Jackson, and thank them for their service to Land Transport NZ.

We welcomed to the Board this year Dr Murray King, Gary McIver, Mayor Garry Moore and John Rutledge. Together with continuing Board members Greg Presland and Dr Janet Stephenson, they provide a wealth of knowledge and experience in the motor industry and transport and local government sectors. We look forward to their contributions over the next year.

During the year, the Minister of Transport announced the findings of the Next Steps transport sector review. The goal of the review was to identify if changes in investment planning, funding and structure could enhance the responsiveness, performance, capability and value for money achieved by all agencies in the sector. Many of the review's recommendations will have an impact on Land Transport NZ, not least that our organisation and Transit New Zealand will merge to form a single transport entity.

Work is well underway to progress the merger, with the new entity expected to be established by 1 July 2008. The current Board sees as one of its key roles the maintenance of the momentum that has built up since the establishment of Land Transport NZ. We wish to ensure our customers and partners that we will maintain this 'business as usual' until the new entity is established.

Our Chief Executive, Wayne Donnelly, has again led his management team and the staff of Land Transport NZ superbly through a year of change.

Land Transport NZ looks forward to continued positive engagement with the land transport sector over the next year.



Paul Fitzharris
Acting Chair
Land Transport New Zealand



Chief Executive's report

The period 2006/07 was Land Transport NZ's second full year of operation. During that time it has been pleasing to see the efforts of staff in creating a sense of belonging and purpose. As a result we have seen increasingly high levels of competence and excellence in service delivery across our broad range of functions and our customer base. Both our customer and stakeholder surveys show good gains. This annual report describes that performance, along with the year's highlights and achievements. Some of these are noted below.

Last December, the mandatory driving test for New Zealanders aged 80 and over was abolished, and a new licensing system based on older drivers presenting medical certificates has been introduced. The popular Safe with Age driver refresher course has been expanded so that anyone who attends the course is eligible for a subsidised private on-road driving refresher session.

We have continued our work to regulate fairly to protect people. Work has continued on the development of the Operator Rating System, which aims to improve the performance of commercial road transport operators against transport regulations and standards. The design of the mechanism that will generate operator ratings was finalised during the year. New safety requirements for heavy vehicles, including internationally approved standards and a new brake test, came into force in March 2007. Several months later, a new taxi enforcement team hit the streets in Wellington and Auckland, charged with monitoring companies and drivers and following up on public complaints.

In 2006/07 Land Transport NZ allocated over \$2.3 billion to activities to improve the land transport system through the National Land Transport Programme (NLTP). In June 2007, we announced a record \$2.4 billion of spending for land transport infrastructure and services in the 2007/08 NLTP.

During the year, two government reports on the performance of the land transport sector concluded that improvements could be made in terms of the sector's strategic alignment, clarity of roles and value for money. This reflected our own view, which we presented to the Next Steps review on the land transport sector. Among the outcomes of the Next Steps review is the requirement that Land Transport NZ merge with Transit New Zealand to make a new transport entity. Land Transport NZ's Board and staff will continue to put the needs of our partners and customers first as we work on rearranging ourselves.

We now have a Board of seven members, four of whom joined us in 2006/07. We are particularly proud that our inaugural chair, Dr Jan Wright, was appointed Parliamentary Commissioner for the Environment and we wish her well. We were also sorry to lose the guiding hands of outgoing Board members Gerry Te Kapa Coates and Bryan Jackson.

I would like to express my thanks to our Board members for their constant dedication and expertise throughout the year, and particularly our Acting Chair, Paul Fitzharris, who has been outstanding with his care for the organisation since the announcement of the review in February.

I commend Land Transport NZ staff for their professionalism and service during the year and I have no doubt they will continue this dedication into 2007/08.

We look forward to working with our colleagues from Transit and the Secretary for Transport and his team as the new government land transport sector takes shape over the next year.

Finally, I wish to acknowledge the contribution made by our partners in the wider transport sector to our progress and achievements in 2006/07.



Wayne Donnelly
Chief Executive
Land Transport New Zealand

Land Transport New Zealand Board

PAUL FITZHARRIS ONZM | Acting Chair



Paul retired from the NZ Police in 2001 as an Assistant Commissioner. During the latter part of his career, he was Acting Deputy Commissioner and represented the NZ Police on the National Road Safety Committee. He is currently Chair of the Prostitution Law Review Committee, a Board member of Orana Park Wildlife Park in Christchurch and the Patron of Neighbourhood Support NZ.

Board members

DR MURRAY KING



Based in Wellington, Murray is an independent consultant specialising in transport. He has had over 35 years' experience in land transport, including rail, trucking and buses, mainly as an executive with Tranz Rail Ltd and its predecessors. Murray has had active involvement (including membership) with regional councils' transport committees since the mid 1980s. He is particularly interested in rail and road law, economics, safety, heritage and environmental impact. Murray is a Chartered Fellow of the Chartered Institute of Logistics and Transport.

GARY MCIVER



Based in Hastings, Gary has an extensive background in commercial and general management, mainly in the motor industry. He is a former member of the Transit Board.

GARRY MOORE



Garry trained as an accountant and has worked in both the public and private sectors. He is married to Pam Sharpe and has four children. In the 1980s, Garry worked for a number of employment programmes and was part of the founding group that formed Whalewatch Ltd, Kaikoura. He has had 15 years' involvement in local body politics, starting in 1989 when he was elected as a member of the Area Health Board. Garry then served two terms as a councillor for the Christchurch City Council and was elected Mayor of Christchurch in 1998. He was the founding Chair of the Mayor's Taskforce for Jobs and is Chair of Safer Christchurch.

Garry is a member of the Institute of Chartered Accountants of New Zealand and of the Institute of Directors. He is a Board member of Christchurch City Holdings Ltd, Canterbury Development Corporation and Whalewatch Ltd.

GREG PRESLAND



Based in Auckland, Greg is the principal of Presland & Co, a Waitakere law firm. He practises in a variety of areas but has considerable experience in traffic law and land law. Greg is Deputy Chair of the Film and Censorship Review Board. He has served as a councillor on the Waitakere City Council and has been involved in aspects of Auckland's transport issues.

JOHN RUTLEDGE



John is a civil engineer by profession and was Chief Executive of Opus International Consultants from its incorporation in 1991. He has experience in New Zealand and overseas on a wide range of projects, including highway and mass transit works. John's previous career has included positions such as: Deputy Head of the Geotechnical Engineering Office in Hong Kong, Chief Designing Engineer and then Assistant Commissioner of Works (Engineering Services) at the Ministry of Works & Development (MWD) and, from 1988 when the state owned enterprise (SOE) Works and Development Corporation was incorporated, he was the General Manager of Consultancy Services.

John played a major role in the corporatisation of the MWD and in the consultancy activities becoming a SOE and then a private company, Opus. He was made a Distinguished Fellow of IPENZ in recognition of managing that change. John has been a Board member of the Centre for Advanced Engineering at Canterbury University, Polytechnics International NZ Ltd and was Chairman of the Structures Committee of the NRB's Road Research Unit. At present, he is on the Board of the Wellington Cable Car Company.

DR JANET STEPHENSON



Janet lectures in planning and environmental studies at Otago University, and also coordinates an energy research initiative. She was previously a planner with 16 years' experience working for local authorities and the NZ Historic Places Trust and as a planning consultant. Janet has a particular interest in sustainability, culture, energy and the environment.

Board members farewelled in 2006/07

DR JAN WRIGHT | Chair (to 28 February 2007)



Based in Wellington, Jan is an independent policy and economic consultant, working primarily on health and environmental policy for a number of government agencies. She has a doctorate in public policy from Harvard University and a Masters degree in Energy and Resources from the University of California. Jan was a member of the inaugural Transit New Zealand Authority from 1989 to 1991 and a past member of the Energy Efficiency and Conservation Authority. She was Chair of Transfund New Zealand and a member of the Transit and the Accident Compensation Corporation Boards. Jan is now the Parliamentary Commissioner for the Environment.

GERRY TE KAPA COATES (to 31 March, 2007)



Based in Wellington, Gerry is an independent professional engineer and consultant. He has been active for many years in the Institution of Professional Engineers New Zealand and was President from 2003 to 2004. Gerry is of Ngai Tahu descent and is particularly concerned about sustainability and ethics. He founded the group Engineers for Social Responsibility in 1983. He comments widely on technology issues and consults in the fields of forensic engineering, governance and conflict resolution.

BRYAN JACKSON (to 30 September 2006)



Based in Waikanae, north of Wellington, Bryan holds a number of directorships in the motor trade, education and transport sectors. He has extensive experience in the transport and automotive industry. Bryan is a professional director and the Chair and Managing Director of Jaclan Investments Limited. He was a member of the Transfund New Zealand Board. Bryan is a Justice of the Peace.

Who we are

Land Transport NZ's statutory objective is to:

'Allocate resources and to undertake its functions in a way that contributes to an integrated, safe, responsive, and sustainable land transport system.'

In doing so, we must also exhibit a sense of social and environmental responsibility and operate in a close partnership with key transport sector stakeholders.

Land Transport NZ has 16 statutory functions (see Appendix for details). These functions can be grouped into a number of broad categories:

- > Providing registration, licensing and compliance services for our commercial and private customers.
- > Assisting and funding our land transport sector partners.
- > Monitoring and informing our partners and stakeholders.
- > Promoting sustainable and safe land transport to customers, partners, stakeholders and communities.
- > Assisting and advising government and collecting revenue.

The Land Transport Management Act 2003 charges Land Transport NZ with the twin responsibilities of promoting land transport sustainability and safe transport on land. In pursuing these responsibilities we will:

- > encourage our partners to develop, maintain and operate land transport in a way that makes land transport more sustainable and more safe, and
- > encourage businesses and people to use land transport in a way that makes land transport more sustainable and more safe.

In carrying out our functions, we contribute to the five objectives of the *New Zealand transport strategy*:

- > Assisting economic development.
- > Assisting safety and personal security.
- > Improving access and personal mobility.
- > Protecting and promoting public health.
- > Ensuring environmental sustainability.

Land Transport NZ also supports the *New Zealand transport strategy* by encouraging the governance, management and funding of the land transport system to be:

- > forward looking
- > collaborative
- > accountable
- > evidence-based.

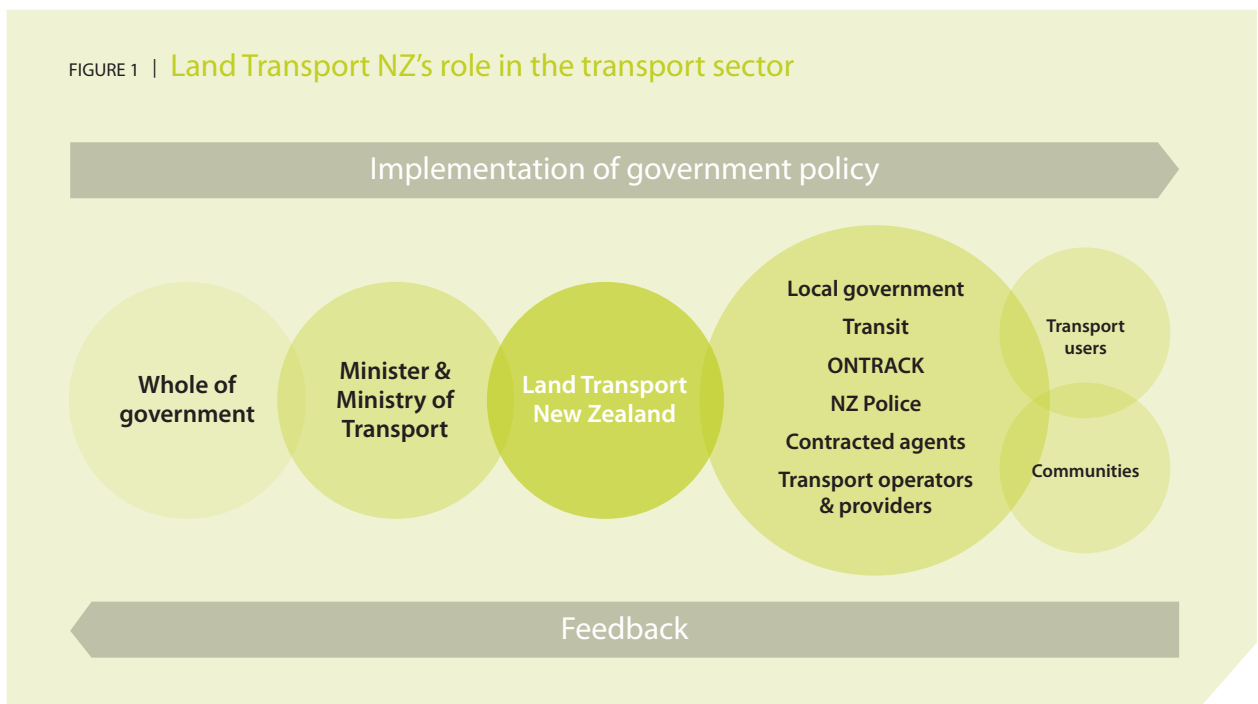
The Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi is recognised in specific provisions in the Land Transport Management Act 2003 that govern our practices with respect to Maori.

Land Transport NZ's role in the transport sector

Land Transport NZ is a Crown entity governed by a Board appointed by the Minister of Transport.

Land Transport NZ provides a vital connection between transport policy-making and the operation of the transport sector. Close working relationships are maintained with the Ministry of Transport, which is responsible for leading the development of strategic transport policy; NZ Police, which enforces and promotes safety regulations; and with 'approved organisations' including Transit, regional councils and territorial local authorities, which are responsible for implementing transport projects and other activities. We also have direct links to the public, who use and interact with land transport.

FIGURE 1 | Land Transport NZ's role in the transport sector



Vision and mission

VISION

Land Transport is a means to the economic, social and environmental well-being of New Zealand. Land Transport NZ's vision for land transport accordingly is:

Land transport that leads to a better New Zealand

MISSION

The mission describes the business of Land Transport NZ. It needs to span activities focused on government policy, those integrated with other transport authorities and those that meet the needs of individual customers. It needs to extend from activities that meet straight-forward service demands to those directed at wider influencing roles.

The mission for Land Transport NZ drives us to add value to New Zealanders as we carry out our functions.

Land Transport NZ's mission is:

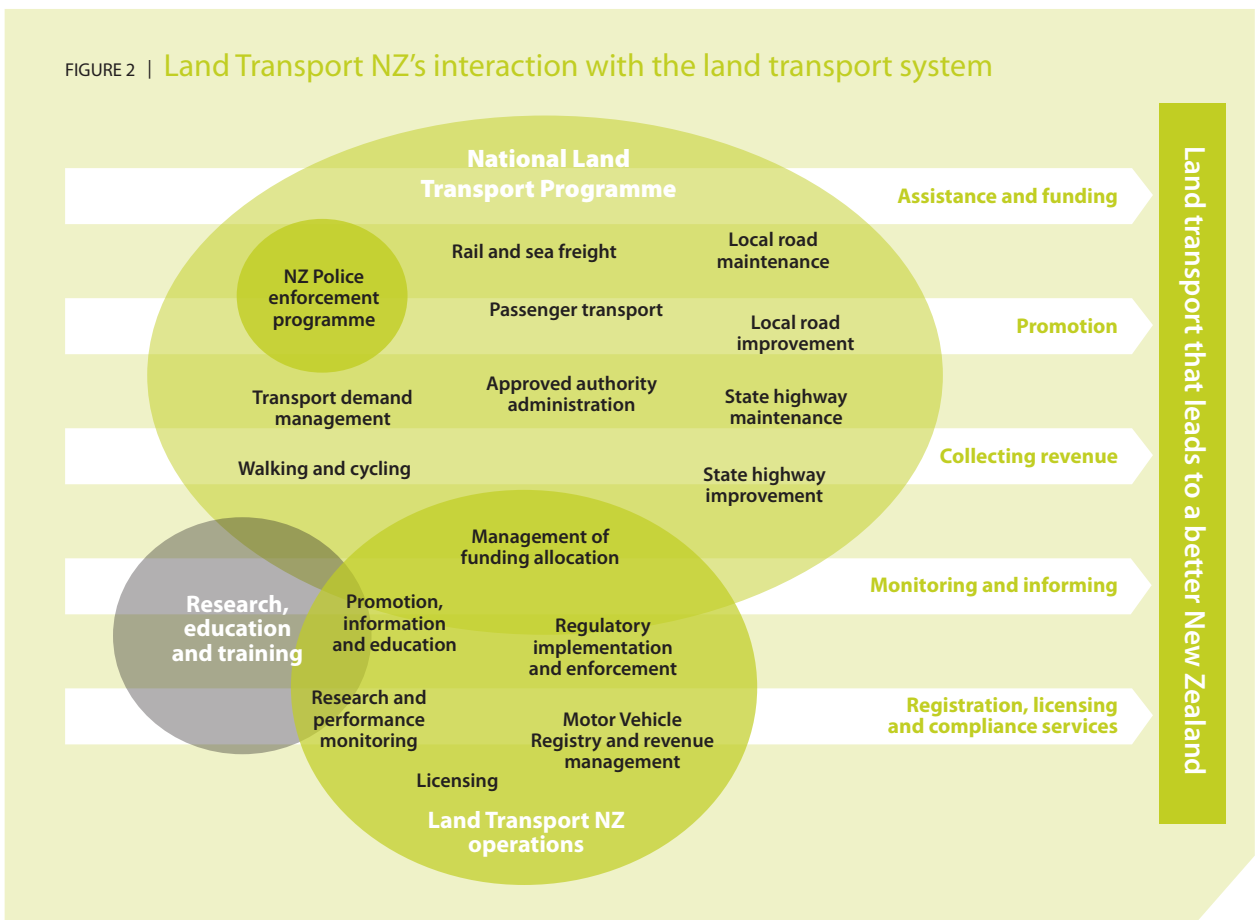
We improve land transport for all New Zealanders

What we do

Introduction

Land Transport NZ is a vital player in the land transport system. Every person or organisation wishing to develop, operate or participate in land transport has regular transactions with Land Transport NZ.

Land Transport NZ operates through five key interventions: funding; managing access to the land transport system; enabling; information and education; and charging. Land Transport NZ's roles and activities are shown in Figure 2.



Land transport sustainability and safe transport on land

Land Transport NZ's statutory functions include the promotion of land transport sustainability and safe transport on land in New Zealand. Land Transport NZ interprets this 'promotion' function as an interactive process with transport providers and users of the land transport system that result in trends 'understood to be sustainable' and represent safer transport on land. Land Transport NZ accepts that what is 'understood as sustainable' will need to be reviewed over time.

In 2006/07, Land Transport NZ identified a number of trends that need to be addressed for the sector to progress towards land transport sustainability and safer transport on land. These are set out below:

- > New urban development patterns reduce the need for people to travel.
- > Urban development and network design provide a safe and convenient environment for walking, cycling and other mobility options.
- > Business and household expenditure on transport reduces in relative terms.
- > The availability and use of public transport increases.
- > More freight is carried on non-road modes, such as rail and coastal shipping.
- > More people choose to walk, cycle, use public transport and reduce use of cars particularly at congested times.
- > Mean travel speeds continue to decline and fatal and serious injury crashes reduce.
- > People drive in ways that use less fuel and are safe for the conditions.
- > The New Zealand vehicle fleet is more fuel efficient, safer and has improved environmental performance.
- > Vehicles are well maintained and perform closer to new standards for longer.
- > Commercial transport operators adopt management practices that promote safer and more sustainable performance.
- > Business select transport operators with high safety and environmental standards.
- > Traffic flows more efficiently on the road network.

Land Transport NZ goals

Land Transport NZ has six strategic goals – three strategic goals for land transport (goals 1–3) and three operational excellence goals (goals 4–6). These are, however, interdependent. The goals have been chosen in the belief that, if effectively deployed, they will generate a pattern of actions and choices by stakeholders which, sustained over time, will achieve Land Transport NZ's vision and mission and contribute to the sustainable development goal for New Zealand and the vision and objectives of the *New Zealand transport strategy*.

Goal 1 – Use of land transport is sustainable and safe

Progress towards the broad outcomes promoted by the *New Zealand transport strategy* and the Land Transport Management Act is very much dependent on the choices and actions of people and businesses when they use land transport.

Choices and actions that support such progress come from people and businesses being well informed about the contributions they can make, from the standards that apply to transport networks, vehicles and fuels, and from the effectiveness and acceptability of enforcement.

Progress could be enhanced by providing incentives for good practice as well as applying penalties for illegal practices.

Facilitating informed choices

Land Transport NZ delivers a road safety advertising campaign that supports Police enforcement and contributes to the reduction of road trauma by undertaking publicity campaigns that increase public awareness and change behaviour relating to:

- > excessive speed, drink-driving, safety belts and failure to give way
- > identified road safety risks specific to Maori and Pacific Island people.

Land Transport NZ also operates a voluntary incentive-based initiative to encourage New Zealand drivers to improve and maintain their knowledge of the road rules and road safety and commissions research into road safety problems.

Rules and standards

Land Transport NZ is funded by the Ministry of Transport to provide Rules development services for the Minister for Transport Safety. Rules are tertiary legislation that, in conjunction with associated regulations, enable the aims of primary legislation and many of the functions of Land Transport NZ to be achieved. The development of Rules is subject to an extensive process of consultation with other government sector entities, the transport industry, and the wider public.

Compliance and registry services

Land Transport NZ has a substantial land transport regulatory and service delivery role, including providing driver testing services, issuing driver and transport service licences, undertaking vehicle certification, registration and licensing activities, and collecting road user charges and other road-related revenue. A large number of individual transactions are conducted in providing these delivery services, eg 564,000 driver licences and 3,751,000 vehicle licences were issued in the 2006/07 financial year.

Key regulation and service delivery areas include:

- > licensing drivers
- > licensing transport operators, including taxi, truck and bus companies
- > auditing road and rail operators
- > administering the licensing and registration of vehicles
- > monitoring the safety of vehicles through entry-level certification and in-service inspections through warrant of fitness and certificate of fitness systems
- > overseeing the safety of the rail system.

Goal 2 – Greater synergy within the land transport sector

Progress towards the broad outcomes of the *New Zealand transport strategy* and the Land Transport Management Act 2003 is enhanced if the decisions and actions of public and private sector transport stakeholders support each other.

Decisions and actions that support such progress will come from:

- > *Well coordinated land use and transport planning* by those who develop and operate the land transport system. To deliver key results, Land Transport NZ relies on stakeholders to successfully plan and deliver their individual land transport activities. Success in this context requires alignment between local government long-term council community and annual plans, the Regional Land Transport Strategy, and the purpose and objectives of the Land Transport Management Act 2003.

- > *Facilitating the participation and cooperation of sector players* by encouraging improved alignment between national policy goals, regional strategies, sub-regional and district planning and local activities. Building effective relationships will enable us to strengthen the alignment with the statutory frameworks for funding land transport and using the land transport system, improve performance and synergies between asset management and investments in how those assets are used, and ensure accurate identification of problems and the development and implementation of integrated and sustainable solutions.

Goal 3 – Improved performance of land transport networks

Progress towards the broad outcomes of the *New Zealand transport strategy* and the Land Transport Management Act 2003 is very much dependent on the quality of activities carried out by those organisations that develop and operate land transport networks. Land Transport NZ's partners, who plan for, develop and operate different components of land transport networks, are responsible for their own specific functions.

The challenge for Land Transport NZ, particularly through our funding function, is to bring about an optimum balance between the needs of different modes and users, and between existing and new infrastructure and services that make up land transport networks. We do this through:

Ensuring sustainable management of networks: Under the provisions of the Land Transport Management Act 2003, Land Transport NZ has placed a new emphasis on better managing existing transport networks and encouraging different travel choices as key ways to reduce pressure on the transport system.

Ensuring connectivity between transport modes: Land Transport NZ is becoming actively involved in transport demand management activities, including assisting development and promotion of travel behaviour change initiatives, such as travel plans and safer pedestrian and cycling routes in at-risk urban areas. Land Transport NZ has also taken a leadership role in managing the implementation of the Government's Getting there – on foot, by cycle strategy.

Improving accessibility for all users: Land Transport NZ financially assists the provision of passenger transport services in order to provide people with alternative modes of transport and improve overall system integration. This is achieved through funding of subsidies on contracted regional council bus, ferry and rail services, financially assisting some capital expenditure by regional councils and territorial local authorities and financially assisting regions for the operation of the Total Mobility scheme (a taxi-based transport service for people with disabilities).

Funding development of infrastructure and services: Around 40 percent of the NLTP is allocated to the maintenance of the roading network. Land Transport NZ's policy is to fund the most cost-effective maintenance strategy for each section of road over the medium to long term. Although Land Transport NZ has placed a new emphasis on better managing existing transport networks and encouraging different travel choices as key ways to reduce pressure on the transport system, adding new infrastructure and improving passenger transport continues to be essential.

Goal 4 – Confident, capable, motivated people

Our ability to carry out our functions effectively and efficiently, while promoting land transport sustainability and safe transport on land, depends on the quality of our people and their ability to deliver what our customers need.

Land Transport NZ's operational excellence goals are directed at enabling our staff to carry out their duties to the best of their ability and to the level of performance required.

In order to achieve this, we focus on developing our skills. Our aim is to provide a supportive environment where staff feel valued and are motivated to achieve. This requires Land Transport NZ managers to provide the right kind of leadership, including recognising and rewarding excellent performance. Developing and nurturing our desired organisational culture is a significant and critical component in having people who are confident, capable and motivated.

Goal 5 – Effective information and business systems

Land Transport NZ is a large business with a high dependency on large-scale information systems, such as the motor vehicle and the driver licence registers. We also depend on efficient business systems to function effectively internally and through our 4000 agency outlets.

Access to and use of high quality information is becoming increasingly important as we develop capability in revenue management and more closely monitor the performance of the land transport system as an aid to decision-making by Land Transport NZ and our partner organisations.

Goal 6 – Leadership that enables

A large and diverse business like that operated by Land Transport NZ requires good leadership at management level, but also promotion and development of leadership qualities throughout the organisation. Leadership should be seen at all levels and should support people in their roles so that they can achieve what is expected of them – this is what leadership that enables does.

To this end, Land Transport NZ has developed a set of priority leadership protocols that are being promulgated throughout the organisation and managers are charged with demonstrating these in the day-to-day management of people and resources.

Achieving operational excellence

Every person at Land Transport NZ has a leadership role to play in the organisation. Over the last year, the challenge has been to create an organisational culture that encourages productivity, customer focus and improved capability. Our operational excellence goals are directed at enabling our staff to carry out their duties to the best of their ability and to the level of performance required.

At Land Transport NZ, we are building an organisation that exhibits:

- >> commitment, leadership and integrity
- >> teamwork and partnership
- >> a professional approach
- >> being knowledgeable and informative
- >> staff competence and empowerment
- >> quality service and adding value
- >> effectiveness and efficiency

Leadership development

In order to achieve these goals, we need to focus on developing our skills and providing a supportive environment where staff feel valued and are motivated to achieve. An organisation as large and diverse as Land Transport NZ requires not only good leadership at management level, but also the promotion and development of leadership qualities throughout the organisation to ensure our people have the confidence, capability and motivation to perform.

In 2006, Land Transport NZ focused on building a common language and culture of leadership in the Emerging Leaders programme. In 2007, we have continued to build on the success of Emerging Leaders offering a customised and expanded programme aligned to the State Services Commission's development goals and the leadership capability profile. This involves various leadership development programmes suitable for leaders and managers at all levels, as well as a Technical Leaders programme which provides an opportunity for aspiring leaders and people who lead and influence change in the organisation, but do not have people reporting to them in their current role.

Induction

Land Transport NZ continues to provide the monthly induction programme which was introduced in 2006. The induction process provides a critical opportunity to communicate Land Transport NZ's values, to help familiarise employees with their new roles, to help them settle in to the organisation and become part of their team as quickly and smoothly as possible. The programme has now been expanded to include visits to our contact centre and a regional office, and has welcomed more than 150 people to the organisation in the last 12 months.

Corporate learning and development

During the 2005/06 year the Leadership Team approved a process for managers to submit bids for learning and development training which benefit Land Transport NZ as an organisation. A centralised learning and development fund was established to provide for organisation-wide learning and development opportunities. The Corporate Learning and Development Committee has now approved funding towards a number of initiatives supporting staff development for 210 people in project management, personal efficiency, the machinery of government and enterprise data reporting tools.

Competency framework

Land Transport NZ is developing a competency framework that identifies the key skills needed for each role in the organisation and assesses employees against these to provide personal development plans. A pilot of the framework was run with one business group from March to the end of July 2007. In 2008 this will be consolidated and extended to the rest of the organisation.

Diversity and fairness programme

Land Transport NZ has built a diversity and fairness programme that is about fostering a supportive and understanding working environment in which we treat our employees, stakeholders, and customers with respect and dignity. To help us achieve this, we have developed a diversity and fairness strategy that will add value to policies, practices and processes relating to:

- > *Cultural relationship capability* – designed to ensure individuals have the skills to engage and work with Maori and other ethnic groups, define our position relating to the Treaty of Waitangi and develop the capability of our staff to better understand the culture, language and customs of Maori and other ethnic groups.
- > *Equal employment opportunity (EEO)* – this project will produce the EEO strategy, policy and toolkits that will assist Land Transport NZ to be recognised as a 'good employer and preferred place of work'. It is aimed at preventing and eliminating workplace discrimination and will ensure that all employees are considered for the employment of their choice and have the chance to perform to their maximum potential, enabling us to develop a workplace that attracts, retains and values our diverse staff.
- > *Work life balance* – this project will include the development of flexible work options to allow staff to achieve satisfaction in their workplace environment, while ensuring that the organisation remains both productive and efficient.

Health and safety within Land Transport NZ

Land Transport NZ is committed to:

- > improving health and safety practices within our organisation and implementing the health and safety management system in accordance with AS/NZS4801 (Int.) 2001, *Occupation health and safety management systems*
- > complying with all health and safety legislation, regulations, codes of practice and safe operating procedures that impact upon our operation
- > promoting safe and healthy workplace procedures and environments for all staff, contractors and visitors
- > ensuring that all employees are consulted with and responded to on issues relating to health and safety management
- > requiring from employees a commitment to personal safety and health practices at all times
- > ensuring that all contractors we employ have adequate health and safety systems, are aware of the hazards they might encounter and that they adequately advise us of and control any hazards associated with their activities
- > following best practice in the management of safety, health and rehabilitation in the workplace, so that:
 - all employees and contractors are assigned health and safety responsibilities and held accountable for these actions
 - health and safety objectives are reviewed annually
 - resources are provided to ensure continual improvement within the organisation
 - all managers are required to show competence in health and safety management through adherence to the health and safety management system, and are trained in health and safety best practice
 - reporting and recording is accurate
- > ensuring that our health and safety policy is reviewed every two years through the Leadership Team and Corporate Health and Safety Committee
- > maintaining tertiary level within ACC Workplace Safety Management Practices Programme, which shows the continuing commitment to best practices in health and safety within the workplace.

The year in review by group

Policy and Planning Group

GENERAL MANAGER | Simon Whiteley



The Group is responsible for the development of operational policy, rule making and providing information that contributes to delivering safe and sustainable land transport. The Group also develops Land Transport NZ's Statement of intent and other accountability documents and facilitates strategic planning for the organisation.

Highlights and achievements 2006/07

- > Continued development of a passenger transport procurement framework.
- > Advanced the review of procurement procedures for physical works and professional services.
- > Completed the integration of Land Transport NZ's land transport programme and the National Land Transport Programme.
- > Completed and published the *Economic evaluation manual Volume 1*, containing guidelines and procedures for the evaluation of land transport infrastructure projects.
- > Continued to develop and lead the introduction of travel behaviour change initiatives.
- > Commenced work on the implementation of the *Getting there – on foot, by cycle* strategy. Considerable progress was made on four of the seven initiatives led by Land Transport NZ while business cases have been developed and funding approved for progressing the remaining three initiatives.
- > Migrated the safer routes programme to neighbourhood accessibility plans. Reviewed and released programme guidelines.
- > Consulted with regional authorities on progressing the second phase of improvements to the Total Mobility scheme.
- > Commenced work with the transport industry to review and replace the *Manual of traffic signs and markings*. The project steering group was established and the drafting process commenced for two volumes of the document and one volume was released for public comment.
- > Trained staff from Land Transport NZ and ONTRACK in the use of the Australian level crossing assessment model to assess levels of risk and prioritise corrective work at level crossings and undertook assessment surveys on level crossings in Auckland.
- > Completed Rules on heavy vehicle brakes, vehicle emissions, operator licensing, driver hours and logbooks, and eight amendment Rules arising out of the Omnibus Amendment Rule.

- > Consulted on proposed Rules on operator safety rating, frontal impact and vehicle noise and a revision of the rule on vehicle emissions.
- > Assisted the Ministry for the Environment to scope development of national environmental standards.
- > Contributed to a review of transport revenue options.

Intentions for 2007/08

- > Introduce sustainability framework to guide business planning.
- > Complete Rules on emissions, noise, frontal impact, and operator safety rating.
- > Commence Rules on traction engines, and amendments to Rules on road users, traffic control devices, dangerous goods, fuel consumption information and driver licensing.
- > Continue implementation of the walking and cycling strategy through building on current initiatives and delivery of the seven new strategic initiatives led by Land Transport NZ.
- > Further develop a website to guide car buyers towards safer, more fuel-efficient and less-polluting vehicles.
- > Continue network management initiatives (including rail crossing management, the manual of traffic signs and markings and network management systems).
- > Assume a national role with respect to supporting workplace travel planning for core government departments and agencies.
- > Continue to improve public transport procurement procedures, including development of guidelines for regional public transport plans.
- > Review and update procurement procedures for physical works and professional services.
- > Undertake a review of the funding allocation process.
- > Continue development of road pricing and tolling policy.
- > Progress the development of multi-modal evaluation procedures.
- > Develop freight policy and continue the investigation into the roles of coastal shipping and rail.
- > Continue urban design protocol activities and land use and transport planning activities, including integrated transport guidelines and transport impact guidelines.

Partnerships and Programmes Group

GENERAL MANAGER | Richard Braae



The Group is responsible for encouraging the development of land transport programmes that address safety and sustainability objectives. The Group develops the Road Policing Programme and is responsible for developing and managing the National Land Transport Programme. The group leads the development of education initiatives that encourage the safe and sustainable use of the land transport system.

Highlights and achievements

- > Managed the 2006/07 National Land Transport Programme and the development of the 2007/08 National Land Transport Programme.
- > Developed the 2007/08 and 2008/09 National Land Transport Programme guidelines and revised the *Programme and funding manual*, and created a training component for 2008/09 guidelines.
- > Continued to develop LTP online as a one-stop site for partner and Land Transport NZ interaction about land transport programmes.
- > Reviewed all asset management plans to ensure good processes and systems are in place for managing infrastructure assets.
- > Transferred management of community focused land transport activities to approved organisations.
- > Identified appropriate indicators that reflect on progress towards sustainable and safe land transport.
- > Provided approved organisations with *At a glance* reports on the performance of the land transport system.
- > Undertook the annual stakeholder survey.
- > Developed a stakeholder engagement strategy to enable the organisation to communicate effectively with their stakeholders.
- > Developed an education strategy that provides clear objectives and priorities for promoting transport safety and sustainability.
- > Investigated further interventions into driver fatigue in conjunction with the Accident Compensation Corporation (ACC), NZ Police and the Ministry of Transport.

Intentions for 2007/08

- > Manage the 2007/08 National Land Transport Programme (NLTP) and the development of the 2008/09 NLTP.
- > Contribute to the Ministry of Transport led processes around the update of NLTP funding levels.
- > Prepare for the implementation of new planning and funding policies as determined by the Next Steps process, including providing guidance on the funding allocation process.
- > Develop and apply the methodology for assessing integrated transport strategies.
- > Continue to develop a relationship strategy to ensure a close alignment between the organisation's objectives and the objectives of the strategy for each key relationship.
- > Develop the implementation plan for the education strategy.
- > Undertake the annual stakeholder survey.
- > Develop performance indicator sets for identifying current land transport trends and improvement opportunities in the areas of infrastructure, vehicles, services and travel demand.
- > Continue to develop the performance indicator framework to inform central and local government decision makers about progress towards safe and sustainable land transport in New Zealand.

People and Culture Group

GENERAL MANAGER | Carolina Gartner



The Group is responsible for the development of business style and the implementation of people management and development strategies. These strategies enhance and support organisational capability and development, and drive the creation of a unique Land Transport NZ organisational culture

Highlights and achievements

- > Completing an analysis of staff connectivity to the organisation (personal values shared with those of the organisation).
- > In the last 12 months, employee turnover has reduced from 16.3 percent to 13.6 percent.
- > Selected and began piloting an organisation-wide competency framework that identifies the key skills needed for each role in the organisation. The framework is also used to assess employees against skills and roles in order to provide personal development plans.
- > Implemented four new leadership development programmes to higher than expected participation. As at 30 June, over 80 people had either completed a programme or were enrolled in one. Evaluation results were positive and the programme has been modified to account for the new Crown entity and the anticipated requirements of managers.
- > Developed a single new remuneration system for employees replacing three legacy systems.
- > Assisted in filling over 100 positions.
- > Negotiated a new collective employment agreement for the Transport Registry Centre with the Engineering Printing and Manufacturing Union.
- > Released 25 new or updated human resource policies after consultation with staff.
- > Developed and implemented a new standard individual employment agreement after consultation with staff.
- > Implemented a new managing for performance system to replace three legacy systems.
- > Developed a diversity and fairness strategy which guides the way we want to treat our employees, stakeholders and customers.

Intentions for 2007/08

- > Implement the diversity and fairness strategy.
- > Continue to develop and implement the leadership and management development strategy.
- > Implement the new remuneration system.
- > Develop and implement a coaching and mentoring programme.
- > Complete a new staff engagement survey and identify key issues to work on.
- > Implement a system for recording personal development and training information.
- > Improve the reporting of human resources information to management and the Board.
- > Renegotiate the PSA collective employment agreement.
- > Renegotiate the Engineering Printing and Manufacturing Union collective employment agreement.
- > Work with Transit to help the integration to the new Crown entity.
- > Support the move of Wellington-based staff into new premises located at Chews Lane.
- > Implement the new State Services Commission *Code of conduct*.

Regulatory Services Group

GENERAL MANAGER | Ian Gordon



The Group is responsible for implementing regulatory frameworks, registry management and revenue collection. In particular, this involves developing operational strategy, continually improving service delivery, managing agency relationships and contracts, monitoring and reviewing performance, managing entry to and exit from the land transport system and, where necessary, ensuring appropriate enforcement. The Group is also responsible for delivering on the contract with the Secretary of Transport for the motor vehicle registry and revenue management activities.

Highlights and achievements

- > Continued the development of the Operator Rating System, including:
 - engaging a supplier for the development of the rating engine software solution
 - securing Board approval for the development of the performance programme that will encourage licensed transport operators to improve performance
 - consulting on the Operator Safety Rating Rule
 - continuing with the implementation of the communications strategy.
- > The Secretary for Transport and the Land Transport NZ Chief Executive accepted recommendations concerning the future governance arrangements for the provision of motor vehicle register and registry management services, progressing one of the outstanding recommendations from the 2004 transport review.
- > Finalised the Heavy Vehicle Brake Rule implementation plan and formulated the detailed project plan for the roll-out of the brake testing requirements.
- > Developed a competency framework for warrant of fitness inspectors that defines the process for ensuring inspectors remain competent throughout their career.
- > Concluded a detailed review of operator licensing fees and charges regulations, with the development of a draft paper by the Ministry of Transport, seeking Cabinet Policy Committee approval for the current fees and charges to be increased.
- > Presented to the Ministry of Transport recommendations for a review of the Road User Charges Act to address accessibility of operator records, processes for assessing evaded road user charges and related enforcement issues.
- > Progressed the development of the intelligence capability for capturing and analysing data to enhance evidence-based decision-making and targeted enforcement.
- > Progressed an assessment and evaluation of service delivery options in anticipation of renewal of transport service delivery agent contracts in 2009.

- > Continued introducing the 'requirements to operate' under the new regime specified by the Railways Act 2005, including the approval of over 60 percent of rail licence holders' new safety cases.
- > Commenced development work on databases to ensure postcodes and address formats are aligned with NZ Post's new standards.
- > Commenced a joint project with Transit to develop a multi-lane free-flow electronic tolling system for the State Highway 1 extension, ALPURT B2.

Intentions for 2007/08

- > Further develop the Operator Rating System, including testing the trial rating engine software solution, engaging and progressing the performance programme concept in conjunction with industry.
- > Improve the effectiveness of the commercial road transport engagement programme.
- > Implement the changes to the governance arrangements for the delivery of the motor vehicle register and registry management services as directed by the Secretary for Transport.
- > Conclude an assessment and evaluation of the service delivery options in anticipation of renewal of transport service delivery agent contracts in 2009.
- > Implement enhancements to improve the quality of and access to information for evidence-based decision-making for the Regulatory Services Group.
- > Implement the competency framework for warrant of fitness inspectors that defines the process for ensuring inspectors remain competent throughout their career.
- > Continue the Heavy Vehicle Brake Rule implementation with commencement of agent site upgrades and formulating a regional roll-out plan for the brake testing requirements.
- > Completion of the development and roll-out of the Rail Information System (RIS) electronic database.
- > Commence work across the motor vehicle register to reduce the creation of multiple identities.
- > Assess the profile and risk of driver licence enrolment processes against the whole-of-government Evidence of Identity standards.
- > Procure and implement workforce management tools for the Contact Centre.
- > Implement an on-line transaction facility for the purchase of road user charges aimed predominantly at light diesel vehicles.
- > Implement a new internet transaction payment option allowing payment to be made via an internet banking transaction as an alternative to using a credit card.
- > Progress changes to restrict access to personal information from the motor vehicle register once legislation is approved.

Corporate Services Group

GENERAL MANAGER | Noel Lee



The Group is responsible for providing excellence in service to internal customers in the areas of finance, information systems and technology, information management and business services.

Highlights and achievements

- > Completed the roll-out of the electronic documents and records management system.
- > Developed a data architecture that will integrate and centralise corporate data, which will enable greater use and sharing of this information.
- > Continued redevelopment of the website and intranet.
- > Completed financial analysis for revised transport licensing fees.
- > Began the first stage of developing a finance strategy for Land Transport NZ.
- > Obtained additional office space in the Auckland, Hamilton and Christchurch regional offices.
- > Continued work on the construction and relocation of staff to the new National Office at Chews Lane in Wellington, with completion due in April 2008.
- > Began the development of a risk management framework system.
- > Built a new link system for NZ Post and other agents conducting motor vehicle registration transactions.
- > Continued to progress the design and implementation of components for the Operator Rating System.
- > Began the tender process for negotiating a replacement telecommunications network supply contract.
- > Undertook analysis and investigation for the information systems strategic plan.
- > Undertook a review of the motor vehicle register, information technology support and strategy (in conjunction with the Ministry of Transport).

Intentions for 2007/08

- > Continue to develop the finance strategy.
- > Continue to develop the risk management framework – risk management system.
- > Complete the Chews Lane National Office construction and relocation project.
- > Continue implementing the recommendations made by the independent quality assessment of the internal audit section.
- > Conduct a review of driver licensing fees.
- > Enhance the National Land Transport Programme 2007/08 (NLTP) and financial reporting systems for the Board and management of Land Transport NZ.
- > Undertake the implementation of the NZ International Financial Reporting Standards (NZIFRS).
- > Provide support for the introduction of various transport legislation, including the Public Transport Management Bill and the Land Transport Amendment Bill.
- > Develop a legislative compliance framework.
- > Implement a new link system between Land Transport NZ and NZ Post for processing motor vehicle registration transactions.
- > Implement components of the Operator Rating System.
- > Implement a new postcode management system to update Transport Registry Centre transactions for taking advantage of NZ Post's new postcodes.
- > Implement a new telephone network voiceover internet protocol for Land Transport NZ's National Office move to Chews Lane.
- > Complete the information systems strategic plan.
- > Create a business case for the motor vehicle and driver licensing registers' strategy and future replacement.
- > Implement a new system to support rail safety management services.
- > Work with Transit on integrating business processes and systems for the new Crown entity.

Land Transport New Zealand Statement of responsibility

Pursuant to the Crown Entities Act 2004, the Chair, Chief Executive, Board and management of Land Transport NZ acknowledge responsibility for the preparation of the financial statements, the statement of service performance and the judgements used therein, and for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

The financial statements have been prepared in accordance with generally accepted accounting practice.

In the opinion of the Chair, Chief Executive, Board and management of Land Transport NZ, the financial statements and statement of service performance fairly reflect the financial position and operations of Land Transport NZ for the year to 30 June 2007.



P Fitzharris
Acting Chair
11 October 2007



J Stephenson
Board Member
11 October 2007

Statement of service performance

for the year ended 30 June 2007

Land Transport NZ's output classes fall into two distinct categories:

- > Those delivered directly by Land Transport NZ (or contracted agents).
- > Those delivered by approved organisations (with Land Transport NZ funding support).

The statement of forecast service performance is formatted according to the output class structure contained in the 2006/07 *Estimates of appropriations*. As an organisation, we work more directly with activity classes, but the alignment between the two is quite close.

The major difference occurs with respect to regionally distributed funds, as the output class structure shows these funds aggregated into regional output classes, whereas data presented by activity class will show these funds allocated into the appropriate activity class (the activity class breakdown shows the destination of the funding rather than the origin).

Output class | Research and performance monitoring

Description

Under this output class Land Transport NZ will:

- > commission and publish research
- > monitor and report on the performance of the land transport system.

Results sought

Improved formulation and delivery of strategies and programmes through effective and efficient:

- > organisation and publication of research
- > monitoring information on land transport inputs, outputs, impacts and consequences.

Delivery

The research output is contracted out contestably to researchers.

Performance monitoring is delivered directly by Land Transport NZ.

PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quantity			
Delivery of a land transport statistics report	New	1	1
Delivery of a published research programme with percentage funding allocation (by theme):	New	1	1
> Asset management	37%	No change	32%
> Natural hazard risk management	2%	Decrease	2%
> Safety and personal security	16%	No change	10%
> Environmental effects	17%	No change	14%
> Travel behaviour change	14%	Increase	20%
> Traffic management	5%	No change	7%
> Sustainable land transport	9%	Increase	14%
Delivery of a performance monitoring programme	1	1	1
PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quality			
Percentage of approved organisations and relevant transport industry representatives that agree that Land Transport NZ's research programme adds value to the land transport industry	81%	≥80%	87%
Percentage of approved organisations and relevant transport industry representatives that agree that performance monitoring adds value to the land transport industry	72%	≥80%	79%
Percentage of research projects completed on time	49%	≥75%	46% ¹

Notes

- 1 A number of research projects had a target completion date of 30 June. Researchers have sought time extensions during the course of undertaking the research. These extensions have been approved with the resulting outcome in the performance measure that measures against the original completion date.

RESEARCH AND PERFORMANCE MONITORING	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National land transport fund	4,953	4,244	4,244
Total revenue	4,953	4,244	4,244
Expenditure			
Research external	4,000	4,000	3,843
Costs and expenses (detail below)	1,563	2,058	2,061
Total expenditure	5,563	6,058	5,904
Output class net surplus (deficit)	-610	-1,814	-1,660
Cost and expenses			
Research	526	429	106
Performance monitoring	1,037	1,629	1,955
	1,563	2,058	2,061

Output class | Promotion, information and education activities

Description

Under this output class Land Transport NZ will:

- > commission national advertising on land transport related issues
- > commission national promotion of walking and cycling
- > commission nationally managed school road safety education
- > provide funding for the Community Road Safety Programme (CRSP)
- > manage the Crash Analysis System (CAS)
- > provide information and education for drivers, operators, vehicles, road controlling authorities, and others
- > provide administration services to the Road Safety Trust.

Results sought

Progress towards a safer, more sustainable land transport system through effective and efficient:

- > promotion of land transport sustainability
- > promotion of safe land transport
- > provision of information and advice.

Delivery

The first four outputs are contracted out.

Other outputs are delivered directly by Land Transport NZ.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quantity			
Number of contracts for delivery of the Community Road Safety Programme (CRSP)	181	150–180	161
Number of schools participating in the Road Safety Education Programme	1,257	930	557 ²
Number of publications issued or updated	New	132	142
Road safety advertising package – average number of targeted audience rating points (TARPs) purchased	895 ³	8,000	10,908

2 An evaluation of the RoadSense Ata Haere strategy in 2006 led to redevelopment. All contracts with schools ended December 2006 enabling a trial from January to June 2007 with 158 schools. The original targets were therefore not achieved due to undertaking the trial.

3 Was monthly target, now annual.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quality			
% of Community Road Safety Programme providers who rate Land Transport NZ assistance and advice as 'good or better' in independent surveys against agreed criteria ⁴	73%	≥75%	78%
Percentage of survey respondents who rate publications as useful or better	80%	≥75%	85%
Total unprompted recall by the target audience of road safety television commercials, tested quarterly and averaged over 12 months	77%	≥70%	83%
Relevance of road safety television commercials to the target audience, tested quarterly and averaged over 12 months	63%	≥60%	70%

PROMOTION, INFORMATION AND EDUCATION ACTIVITIES	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	28,675	33,826	33,826
Third party revenue	4,011	2,077	4,476
Total revenue	32,686	35,903	38,302
Expenditure			
Bike wise	900	1,000	1,015
RoadSense	2,346	2,100	2,074
Community Road Safety Programme	7,595	6,985	5,635
Advertising	14,790	13,082	12,547
Costs and expenses (detail below)	7,345	10,769	9,662
Total expenditure	32,976	33,936	30,933
Output class net surplus (deficit)	-290	1,967	7,369
Cost and expenses			
Road Safety Trust	179	187	140
Bike wise	0	388	218
RoadSense	0	580	180
Community Road Safety Programme	39	1,787	912
Advertising	0	1,900	2,307
Crash Analysis System	2,207	2,021	2,106
Education	4,920	3,906	3,799
	7,345	10,769	9,662

4 Land Transport NZ is reviewing this activity, with a view to devolving direct responsibility to local authorities by 2007/08. If this happens, this output measure will be removed.

Output class | Regulatory implementation and enforcement

Description

Under this output class Land Transport NZ will:

- > develop standards and procedures, monitor and audit:
 - vehicle certification and testing
 - transport service operators
 - driver licenses
 - rail operators
 - road networks
- > provide ministerial advice
- > develop land transport Rules under contract to the Ministry of Transport.

Results sought

Rules development and compliance monitoring activities contribute positively to safety and sustainability outcomes for land transport.

Delivery

This output class is delivered directly by Land Transport NZ and agents.

PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quantity			
Delivery of an agreed Rules development programme	New	1	1
Delivery of an agreed audit programme covering: <ul style="list-style-type: none"> > regulatory compliance of rail licence holders and licensed transport operators, eg passenger services (including taxis) and goods services; and > agent service delivery (including driver testing, licence administration, and vehicle certification services) 	New	1	1
Rules programme will meet the quality and timeliness requirements in the 2006/07 agreement for Rules development services	New	Yes	Yes
Percentage of audits of regulatory compliance and agent service delivery will be carried out according to agreed standards	New	≥95%	100%
Driver tests that comply with the Land Transport NZ Driver testing officers manual (as determined by audit)	100%	≥95%	99.7%
Standard of service supplied by agents providing vehicle certification services as measured via the certification performance indicator (scale 0–3)	New	≥2.5	2.62
Reported rail accidents and incidents are addressed in accordance with the Railways Act 2005 and Land Transport NZ procedures	New	100%	100%

REGULATORY IMPLEMENTATION AND ENFORCEMENT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – annual	548	548	548
Crown – National Land Transport Fund	1,335	1,335	1,985
Contract services	1,013	1,013	1,013
Third party revenue	19,476	20,386	22,097
Total revenue	22,372	23,282	25,643
Expenditure			
Ministerial advice	118	308	257
Rail audit and monitoring	656	971	735
Driver licence audit and monitoring	1,167	1,487	1,314
Rules development	1,049	1,808	1,059
Roading network audit and monitoring	2,550	3,556	2,094
Transport service operator audit and monitoring	3,867	6,892	7,887
Vehicle audit and monitoring	11,032	10,383	10,560
Total cost and expenses	20,439	25,405	23,906
Output class net surplus (deficit)	1,933	-2,123	1,737

Output class | Licensing activities

Description

Under this output class Land Transport NZ will:

- > commission licensing and testing services for drivers
- > provide licensing services for transport service operators
- > provide licensing services for rail operators
- > maintain the currency and integrity of licence-related data in statutory registers
- > provide accurate, timely and relevant licensing information and advice to members of the public and service delivery agents
- > pay fees to storage providers for unclaimed vehicles impounded by the NZ Police
- > commission drug and alcohol assessments.

Results sought

Progress towards a safer, more sustainable and more secure land transport system through effective and efficient delivery of licensing activities.

Delivery

This output class is delivered directly by Land Transport NZ (or contracted agents).

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Driver licences issued (new, renewals, endorsements, overseas conversions and conversions/upgrades)	565,000	600,000	564,000
Transport services licences issued	3,721	2,500–3,500	3,751
Theory, practical and older driver tests	375,000	380,000	339,000
Number of vehicle impoundment payments	2,735	4,800–5,000	3,051
Number of drug and alcohol assessments	967	1,400	895
PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quality			
Call centre grade of service for driver licensing activities and/or enquiries:			
> Percentage calls answered within 30 seconds	New	≥80%	86.7%
> Quality assurance of customer service representatives' performance	New	≥97%	98.5%
Customer satisfaction (ie % customers who rate call centre and/or agents' service for driver licensing activities and/or services as 'good or better') based on independent surveys	New	≥90%	93%

LICENSING ACTIVITIES	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – annual	1,655	1,655	1,655
Crown – National Land Transport Fund	444	0	0
Third party revenue	42,771	45,665	38,566
Total revenue	44,870	47,320	40,221
Expenditure			
Rail operator licences	367	273	619
Transport service operator licences	1,008	1,459	1,831
Driver licences and testing	41,536	47,021	43,276
Other licensing	357	423	255
Total costs and expenses	43,268	49,176	45,981
Output class net surplus (deficit)	1,602	-1,856	-5,760

Output class | Management of funding allocation system

Description

Under this output class Land Transport NZ will:

1. Programme management
 - > Manage the National Land Transport Account, including the development and administration of:
 - the National Land Transport Programme (NLTP)
 - Land Transport NZ’s land transport programme
 - procurement procedures, policies and guidelines
 - funding agreements with approved organisations for the implementation of the National Land Transport Programme
 - > audit approved organisations in relation to activities approved by Land Transport NZ, and the operation of the approved organisation’s land transport disbursement account.
2. Administration and project control by approved organisations
 - > Provide funding for administration of land transport activities by Transit and local authorities.
 - > Assist and advise approved organisations with their contribution towards an affordable, integrated, safe, responsive and sustainable land transport system.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system through effective and efficient management of the funding allocation system.

Delivery

Output 1 is delivered directly by Land Transport NZ.

Output 2 provides funding to approved organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quantity			
Development and delivery of the National Land Transport Programme (incorporating the Authority’s Land Transport Programme)	New	1	1
Delivery of a performance monitoring audit programme	New	1	1

PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quality			
Generally applied funding priority threshold:	New		
> Seriousness and urgency		Medium	Medium
> Effectiveness		Medium	Medium
> Economic efficiency		High	High
% of relevant stakeholders who rate the way in which Land Transport NZ assists and advises stakeholders to formulate proposed activities and procurement procedures as 'good or better' based on independent surveys against agreed criteria	59% ⁵	>75%	78%
% of relevant stakeholders who rate the way in which Land Transport NZ processes and administers funding applications and procurement procedures as 'good or better' based on independent surveys against agreed criteria	60% ⁵	>75%	83%
% of relevant stakeholders who rate the way in which Land Transport NZ undertakes its auditing activities as 'good or better' based on independent surveys against agreed criteria	78% ⁵	>75%	85%
Publication of the NLTP for the following financial year no later than 30 June	Yes	Yes	Yes
Percentage of agreements with approved organisations that are in place by 31 July	72%	100%	44% ⁶
Efficiency of the National Land Transport Programme as measured by benefit/cost ratio (average for applicable approved activities)	3.6	>2	4.0
Land Transport NZ costs for management of the funding allocation system as a % of the total cost of the National Land Transport Programme	0.8%	<1%	0.7%

MANAGEMENT OF FUNDING ALLOCATION SYSTEM	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund (NLTF)	13,287	11,102	11,102
Crown – NLTF (included in the NLTP)	0	57,499	57,499
Total revenue	13,287	68,601	68,601
Expenditure			
Costs and expenses (Land Transport NZ)	12,078	11,668	12,777
Administration and project control (included in the NLTP)	0	72,690	70,341
Total expenditure	12,078	84,358	83,118
Output class net surplus (deficit)	1,209	-15,757	-14,517

5 2005/06 results based on survey rating of 'very good or better'.

6 This measure is subject to approved organisations returning the agreements on time. Because the 2006/07 agreement was changed from previous years, a number of approved organisations required further time to consider the new agreements prior to signing them.

Output class | Motor vehicle registry and revenue management

(Ministry of Transport output class delivered by Land Transport NZ)

Description

The provision of an administrative and accounting service for the collection and refund of motor vehicle registration and licensing fees and ACC levies; road user distance/weight and time licences; and fuel excise duty credited to the National Land Transport Fund.

Land Transport NZ is contracted to provide these services under an agreement with the Secretary for Transport.

Results sought

Improved planning, maintenance, management and development of the land transport system through effective and efficient management of the motor vehicle registry and revenue collection.

Delivery

This output class is delivered directly by Land Transport NZ (or contracted agents).

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quantity			
Motor vehicle register (MVR) transactions		8,050,000	7,988,000
> MVR licensing compliance (proportion of licensed vehicles in the MVR)	New	≥88.5%	88.2%
> MVR revenue compliance (proportion of vehicles re-licensed within 12 months of licence expiry)	New	≥98.5%	98.4%
Road user charges (RUC) transactions	2,272,000	2,245,000	2,139,000
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quality⁷			
Accuracy of data on the MVR	New	≥95%	96.3%
Identified RUC evasion	\$12.78m	\$6m	\$10.0m
Identified RUC evasion revenue recovered	Nil	30%	53.7%
RUC and MVR revenue written off as bad debt	Nil	\$5m	\$11.1m
Call centre grade of service for MVR and RUC activities and/or enquiries:			
> percentage calls answered within 30 seconds	New	≥80%	85.9%
> quality assurance of customer service representatives' performance	New	≥97%	97.9%
Customer satisfaction (ie % customers who rate call centre and/ agents' service for MVR and RUC activities and/or services as good or better) based on independent surveys	New	≥90%	96%
Costs per MVR transaction	\$5.83	\$5.51	\$5.42

⁷ See licensing output page for performance measures relating to call centre grade of service and customer satisfaction.

MOTOR VEHICLE REGISTRY AND REVENUE MANAGEMENT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	0	444	444
Contract services	45,886	48,943	48,441
Third party revenue	12,135	12,001	12,491
Total revenue	58,021	61,388	61,376
Costs and expenses	56,535	60,938	60,186
Output class net surplus (deficit)	1,486	450	1,190

Output class | Rail and sea freight

Description

Under this output class Land Transport NZ will co-fund, with approved organisations, initiatives that encourage the movement of freight by rail and coastal shipping (including barging) instead of by road.

Results sought

Progress towards a safer, more integrated and sustainable land transport system through effective and efficient use of alternatives to road freight.

Delivery

This output class is delivered directly by approved organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Number of currently funded activities	6	5	6
PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quality			
Forecast efficiency ratio (average for approved new activities)	Nil ⁸	>1	>1 ⁹

RAIL AND SEA FREIGHT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	2,000	2,000	2,000
Total revenue	2,000	2,000	2,000
Expenditure	371	1,500	94
Output class net surplus (deficit)	1,629	500	1,906

8 No activities reviewed 2005/06.

9 There is only one project in this category and it has a BCR of 99, which is the default value when the net cost saving of the project is infinite.

Output class | Transport demand management and walking and cycling

Description

Under this output class Land Transport NZ will co-fund with approved organisations:

- > initiatives to improve the management and use of land transport networks
- > travel behaviour change initiatives
- > new and improved walking and cycling infrastructure.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system through effective and efficient activities that:

- > improve the management and use of land transport networks
- > reduce dependence on private motor vehicles
- > develop new and improved walking and cycling infrastructure.

Delivery

This output class is delivered by approved organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Number of school travel plans funded	55	120	86 ¹⁰
Number of work place travel plans funded	41	80	31 ¹¹
Length of new walkway/cycleway funded (km)	36.7	120	106
PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quality			
Forecast benefit/cost ratio (average for approved new activities)	2.1	>1	3.3 ¹²

TRANSPORT DEMAND MANAGEMENT AND WALKING AND CYCLING	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	10,042	19,801	19,801
Total revenue	10,042	19,801	19,801
Expenditure			
	8,216	18,550	8,884
Output class net surplus (deficit)	1,826	1,251	10,917

10 Fewer than expected school travel plan funding requests were received this year. It should be noted that the total school population impacted by school travel plans is ahead of target in the Auckland area.

11 There were fewer than expected funding requests for workplace travel plans this year.

12 Excludes projects which reduce ongoing maintenance and renewal costs.

Output class | Passenger transport services

Description

Under this output class Land Transport NZ will co-fund with regional authorities non-commercial road, rail and ferry infrastructure and services.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system through effective and efficient activities that increase access to and use of passenger transport services.

Delivery

This output class is delivered by regional authorities.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Total boardings on buses (million)	89.9	101	89.7
Total boardings on ferries (million)	4.2	4.2	4.2
Total boardings on rail (million)	16.3	17	16.9
Total mobility boardings (million)	1.9	1.8	1.7
PERFORMANCE MEASURE	ACTUAL 2005/06	TARGET 2006/07	ACTUAL 2006/07
Quality			
User satisfaction, as measured by the percentage of users who rate passenger transport services as good or better by an annual independent survey	88%	≥75%	85%
User satisfaction, as measured by the percentage of users who rate total mobility services as good or better by an annual independent survey	90%	≥75%	98%
Land Transport NZ subsidy per passenger boarding on buses	\$1.05	\$0.93	\$1.19
Land Transport NZ subsidy per passenger boarding on ferries	\$1.55	\$0.46 ¹³	\$2.03
Land Transport NZ subsidy per passenger boarding on rail	\$2.02	\$2.66	\$1.94

PASSENGER TRANSPORT SERVICES	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	189,000	235,753	235,753
Total revenue	189,000	235,753	235,753
Expenditure	211,789	270,920	222,089 ¹⁴
Output class net surplus (deficit)	-22,789	-35,167	13,664

13 The original estimate in 2005/06 at \$0.46 per passenger boarding was set too low. This figure will need to be revised upwards for future years.

14 Underexpenditure in passenger transport due to some Wellington rail projects being insufficiently developed to the stage where funding applications could be made.

Output class | Regional land transport

Description

Under this output Land Transport NZ will fund regional priority land transport activities.

This output class is funded through regional funds generated from increases in petrol excise and light vehicle road user charges.

Delivery

This output class is delivered by approved organisations.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system in each region by contributing effectively and efficiently towards:

- > promotion, information and education
- > new and improved land transport infrastructure and services
- > transport demand management.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Percentage of funds allocated to output classes:			
> transport demand management, walking and cycling	4%	10%	5.8% ¹⁵
> passenger transport services	40%	26%	9.6% ¹⁵
> new and improved state highways	Nil	48%	54.2% ¹⁵
> new and improved local roads	56%	16%	30.4% ¹⁵
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quality			
<i>Note: Specifics of performance reported within other output classes</i>			

REGIONAL LAND TRANSPORT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	201,000	205,500	205,500
Total revenue	201,000	205,500	205,500
Expenditure	6,104	60,960	19,784 ¹⁶
Output class net surplus (deficit)	194,896	144,540	185,716

¹⁵ This figure is a percentage of actual 2006/07 expenditure in this output class, not a percentage of the budgeted estimate for 2006/07.

¹⁶ The full budgeted estimate for 2006/07 was not allocated because fewer than expected applications were received from approved organisations.

Output class | Auckland land transport

Description

Under this output class, Land Transport NZ will fund activities that support the increased integration of transport and land use in the Auckland region.

This output class is funded by the Crown through specific allocation to the Auckland region.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system in Auckland, through effective and efficient activities, with priority given to:

- > improvements to passenger transport services and infrastructure
- > transport demand management
- > improvements to strategic roads

Delivery

This output class is delivered by approved organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Percentage of funds allocated to output classes:			
> transport demand management, walking and cycling	Nil	Nil	Nil
> passenger transport services	100%	100%	100% ¹⁷
> new and improved state highways	Nil	Nil	Nil
> new and improved local roads	Nil	Nil	Nil
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quality			
<i>Note: Specifics of performance reported within other output classes</i>			

AUCKLAND LAND TRANSPORT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – annual	50,667	50,000	20,550
Total revenue	50,667	50,000	20,550
Expenditure	4,947	20,550	7,990 ¹⁸
Output class net surplus (deficit)	45,720	29,450	12,560

¹⁷ This figure is a percentage of actual 2006/07 expenditure in this output class, not a percentage of the budgeted estimate for 2006/07.

¹⁸ The full budgeted expenditure for 2006/07 was not allocated as fewer than expected applications were received from the Auckland region.

Output class | Wellington land transport

Description

Under this output class, Land Transport NZ will fund activities that retain passenger transport mode share, address congestion and improve access to the Wellington region.

This output class is funded by the Crown through specific allocation to the Wellington region.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system in Wellington, through effective and efficient activities, with priority given to:

- > enhancing passenger transport services and infrastructure and retaining passenger transport mode share
- > transport demand management
- > walking and cycling
- > strategic roads.

Delivery

This output class is delivered by approved organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Percentage of funds allocated to output classes:			
> transport demand management, walking and cycling	100%	13%	13% ¹⁹
> passenger transport services	Nil	42%	87% ¹⁹
> new and improved state highways	Nil	30%	Nil ²⁰
> new and improved local roads	Nil	15%	Nil ²⁰
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quality			
<i>Note: Specifics of performance reported within other output classes</i>			

WELLINGTON LAND TRANSPORT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – annual	9,889	15,000	12,010
Total revenue	9,889	15,000	12,010
Expenditure	93	12,010	62 ²¹
Output class net surplus (deficit)	9,796	2,990	11,948

¹⁹ This figure is a percentage of actual 2006/07 expenditure in this output class, not a percentage of the full budgeted estimate for 2006/07.

²⁰ No funding requests received for state highways or local roads in the Wellington region for this output class.

²¹ The full budgeted estimate for 2006/07 was not allocated because fewer than expected applications were received from the Wellington region.

Output class | Bay of Plenty land transport

Description

Under this output class, Land Transport NZ will fund activities that address strategic transport issues in the Bay of Plenty region.

This output class is funded by the Crown through specific allocation to the Bay of Plenty region.

Results sought

- > Progress towards a safer, more integrated, responsive and sustainable land transport system in the Bay of Plenty region.

Delivery

This output class is delivered by approved organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quantity			
Percentage of funds allocated to output classes:	New		
> transport demand management, walking and cycling		Nil	Nil
> passenger transport services		Nil	Nil
> new and improved state highways		50%	100% ²²
> new and improved local roads		50%	Nil ²³
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE 2006/07	ACTUAL 2006/07
Quality			
<i>Note: Specifics of performance reported within other output classes</i>			

BAY OF PLENTY LAND TRANSPORT	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – annual	0	55,000	55,000
Total revenue	0	55,000	55,000
Expenditure			
Transport strategy	0	5,000	0
Tauranga harbour link project	0	50,000	29,367
Total expenditure	0	55,000	29,367
Output class net surplus (deficit)	0	0	25,633

²² This figure is a percentage of actual 2006/07 expenditure in this output class, not a percentage of the full budgeted estimate for 2006/07.

²³ No requests for funding received for local roads in the Bay of Plenty region for this output class.

Output class | New and improved infrastructure for state highways

Description

Under this capital appropriation Land Transport NZ will fund state highway capital improvements.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system through effective and efficient development of new and improved road infrastructure.

Delivery

This output class is delivered by Transit.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quantity			
Delivery of a state highway improvement programme ²⁴	New	1	1
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quality			
Cost of new urban roads (\$/m ² of new road)	\$2,800/m ² –\$4,000/m ²	(steady)	\$1,750 ²⁵
Cost of new rural roads (\$/m ² of new road)	\$200/m ² –\$500/m ²	(steady)	Nil ²⁶
Forecast benefit/cost ratio (average for approved activities)	4.0	≥4	3.7 ²⁷

NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – annual	498	225,222	225,222
Crown – National Land Transport Fund	420,812	525,255	543,698
Third party revenue	14,222	10,000	10,881
Total revenue	435,532	760,477	779,801
Expenditure	702,047	762,470	750,124
Output class net surplus (deficit)	-266,515	-1,993	29,667

24 The details of the approved activities are contained in the National Land Transport Programme published in June 2006.

25 Only one new urban road project reached substantial completion during the year.

26 There were no new rural road projects that reached substantial completion during the year.

27 Excludes projects which reduce ongoing maintenance and renewal costs.

Output class | Maintenance of state highways

Description

Under this output class Land Transport NZ will fund the routine and periodic maintenance of state highways.

Results sought

Progress towards a safer, more sustainable land transport system through effective and efficient preservation of roading infrastructure.

Delivery

This output class is delivered by Transit.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quantity			
Delivery of a state highway maintenance programme ²⁸	New	1	1
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quality			
Cost of routine and periodic maintenance per network-km is within policy parameters set by Land Transport NZ	New	Yes	Yes
Cost of routine maintenance per lane-km ²⁹	\$19.4	(steady)	\$18.8
Cost of periodic maintenance per lane-km ²⁹	\$13.6	(steady)	\$15.3

MAINTENANCE OF STATE HIGHWAYS	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	181,260	197,553	197,553
Total revenue	181,260	197,553	197,553
Expenditure	209,035	173,130	217,686
Output class net surplus (deficit)	-27,775	24,423	-20,133

28 The details of the approved activities are contained in the National Land Transport Programme published in June 2006.

29 The figures reported for 2005/06 and 2006/07 are measured in network metres, not lane-kms as the performance measure states.

Output class | New and improved infrastructure for local roads

Description

Under this output class Land Transport NZ will co-fund, with approved organisations, local roads capital improvements.

Results sought

Progress towards a safer, more integrated, responsive and sustainable land transport system through effective and efficient development of new and improved road infrastructure.

Delivery

This output class is delivered by territorial local authorities and approved public organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quantity			
Delivery of a local road improvement programme ³⁰	New	1	1
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quality			
Cost of new urban roads (\$/m ² of new road)	\$40 to \$265	(steady)	\$1,750 ³¹
Cost of new rural roads (\$/m ² of new road)	\$20 to \$175	(steady)	Nil ³²
Forecast benefit/cost ratio (average for approved activities)	4.2	≥4	4.2 ³³

NEW AND IMPROVED INFRASTRUCTURE FOR LOCAL ROADS	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	295,820	314,549	314,549
Total revenue	295,820	314,549	314,549
Expenditure			
	281,012	436,360	298,128 ³⁴
Output class net surplus (deficit)	14,808	-121,811	16,421

30 The details of the approved activities are contained in the National Land Transport Programme published in June 2006.

31 There was only one new urban road project that reached substantial completion during the 2006/07 year.

32 There were no new rural road projects that reached substantial completion during the 2006/07 year.

33 Excludes projects that reduce ongoing maintenance and renewal costs.

34 Underexpenditure due to fewer than expected funding requests being received from territorial authorities compared with what was indicated in their forward programmes.

Output class | Maintenance of local roads

Description

Under this output class Land Transport NZ will co-fund, with approved organisations, the routine and periodic maintenance of local roads infrastructure.

Results sought

Progress towards a safer, more sustainable land transport system through effective and efficient preservation of roading infrastructure.

Delivery

This output class is delivered by territorial local authorities and approved public organisations.

PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quantity			
Delivery of a local road maintenance programme ³⁵	New	1	1
PERFORMANCE MEASURE	ACTUAL 2005/06	ESTIMATE/TARGET 2006/07	ACTUAL 2006/07
Quality			
Cost of routine and periodic maintenance per network-km is within policy parameters set by Land Transport NZ	New	Yes	Yes
Cost of routine maintenance per lane-km ³⁶	\$2.6	(steady)	\$2.1
Cost of periodic maintenance per lane-km ³⁶	\$1.8	(steady)	\$2.0

MAINTENANCE OF LOCAL ROADS	ACTUAL 2005/06 \$000	BUDGET 2006/07 \$000	ACTUAL 2006/07 \$000
Revenue			
Crown – National Land Transport Fund	162,180	171,911	171,911
Total revenue	162,180	171,911	171,911
Expenditure	225,401	175,990	224,142 ³⁷
Output class net surplus (deficit)	-63,221	-4,079	-52,231

³⁵ The details of the approved activities are contained in the National Land Transport Programme published in June 2006.

³⁶ The figures reported for 2005/06 and 2006/07 are measured in network metres, not lane-kms as the performance measure states.

³⁷ Overexpenditure entirely in emergency work activity. This is always difficult to budget for as expenditure cannot be programmed and is dependent on the occurrence of random storm events.

Statement of accounting policies

Reporting entity

Land Transport NZ is a Crown entity established in December 2004 as the result of a re-organisation of the government transport sector, which saw the majority of the activities of the Land Transport Safety Authority and Transfund New Zealand combine to form Land Transport NZ. Land Transport NZ is integrally involved in developing and delivering an affordable, integrated, safe, responsive, and sustainable land transport system in line with the *New Zealand transport strategy* vision.

Going concern

Following the *Next Steps review of the land transport sector*, the Government announced that Land Transport NZ and Transit will be merged into a single statutory Crown entity. The intention is that the new Crown entity will come into effect on 1 July 2008. Legislative changes will be needed to give effect to the merger. As the proposed legislative process is not yet in place we have continued to prepare these accounts on a going concern basis

Statutory base

Land Transport NZ's financial statements are prepared in accordance with the requirements of section 151 of the Crown Entities Act 2004.

Measurement basis

The financial statements have been prepared on an historical cost basis.

Accounting policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

Budget figures

The budget figures contained in the financial statements are those approved by the Land Transport NZ Board and appearing in the 2006/07 Statement of intent.

The budget figures were prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

Revenue

Revenue is measured at fair value of consideration received. Land Transport NZ derives revenue from:

- > fees and charges from regulatory activities
- > the sale of goods and services
- > contracts for delivery of motor vehicle registration activities, revenue management and rules development
- > Crown revenue split into two components – Crown revenue and Crown revenue from the National Land Transport Fund
- > income from investments.

Such revenue is recognised when earned and is reported in the financial period to which it relates.

Expenditure

Operating expenses are recognised in the period to which they relate.

Road controlling authorities and regional council claims are recognised as expenditure in the period when the activity has been performed and up to the amount approved by the board for that activity. Revenue received by Transit, as per section 10 (6) of the Land Transport Management Act 2003, is treated as a reduction to expenditure.

Financial instruments

Land Transport NZ is party to financial instruments as part of its everyday operations. These financial instruments include cash and bank balances, investments, accounts receivable and accounts payable. Investments are stated at the lower of cost or net realisable value. All revenue and expenditure relating to financial instruments is recognised in the Statement of financial performance.

Accounts receivable

Accounts receivable are stated at their estimated realisable value after providing for doubtful and non-collectable debts. A provision is made when there is objective evidence that the debt will not be collected.

Inventories

Inventories are stated at the lower of cost or estimated net realisable value.

Property, plant and equipment

Valuation

Fixed asset purchases are recorded at cost and depreciated on a straight-line basis over their estimated useful lives. The minimum cost value for a purchase to be classified as a fixed asset is \$2000.

Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis at rates that will write off the cost of the assets over their estimated useful lives. The useful lives and associated depreciation rates used in these statements are as follows:

ASSET CLASS	USEFUL LIVES	DEPRECIATION RATE
Leasehold improvements	Estimated life of the lease	
Plant and equipment	5 years	20%
Furniture and fittings	10 years	10%
Motor vehicles	4 years	25%
Office equipment	5 years	20%
Computer hardware	3 years	33%
Computer software	3–10 years	Range
Driver licence register system	10 years	10%

Cost of service statements

The statement of service performance reports the net cost of services for the outputs of Land Transport NZ and is represented by the costs of providing the output less all the revenue that can be allocated to these outputs.

Output costing

Basis of assigning indirect and corporate costs to business units who produce outputs

Corporate indirect costs and corporate overhead are assigned to business units based on a number of cost drivers.

For the period to 30 June 2007 corporate indirect and overheads account for 5 percent (prior year 5 percent) of Land Transport NZ costs.

Business unit's direct costs and overhead assignment to outputs

Business units are defined as work areas that produce outputs. Where possible, costs incurred by a business unit are direct coded to outputs. Business unit's direct or indirect costs including salaries and their share of indirect and corporate overhead are assigned to outputs based on the proportion of direct staff time spent on each output.

For the period to 30 June 2007 direct business unit costs account for 95 percent (prior year 95 percent) of Land Transport NZ costs.

Taxation

Income tax

Crown entities are exempt from income tax under provisions of the Income Tax Act 2004, and therefore no charge for income tax has been provided for.

Goods and services tax (GST)

The financial statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated with GST included. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

Employee entitlements

Provision is made in respect of Land Transport NZ's liability for annual leave, long service leave and retirement leave. Annual leave and other entitlements expected to settle within 12 months of reporting date are measured at nominal values on an actual entitlement basis at current rates of pay.

Entitlements that are payable beyond 12 months such as long service leave and retirement leave, have been calculated on an actuarial basis based on the present value of expected future entitlements.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other liquid investments in which Land Transport NZ invests as part of its day-to-day cash management. All demand deposits are held with trading banks registered in New Zealand.

Operating activities include cash received from all income sources of Land Transport NZ and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in the capital structure of Land Transport NZ.

Operating leases

Land Transport NZ leases office premises, office equipment and motor vehicles. As all the risks of ownership are retained by the lessor, these leases are classified as operating leases. Operating lease costs are charged as expenses in the period in which they are incurred.

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Commitments relating to employment contracts are not disclosed.

Contingent liabilities

Contingent liabilities are disclosed at the time at which the contingency is evident.

Public equity

This is the Crown's net investment in the Crown entity, retained surpluses and the balance of all memorandum accounts.

Changes in accounting policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with the previous year.

Financial statements

Statement of financial performance

For the year ended 30 June 2007

This statement details the revenue received and expenses incurred by Land Transport New Zealand.

	NOTES	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Revenue				
Crown – annual		314,985	347,425	93,711
Crown – National Land Transport Fund		1,799,865	1,780,772	1,480,355
Contract services		49,454	49,956	46,899
Third party revenue	1	88,511	90,129	92,615
Total revenue		2,252,815	2,268,282	1,713,580
Expenditure				
Personnel expenses		43,772	45,919	39,731
Operating expenses	2	128,210	132,697	123,569
National Land Transport Programme excluding operating costs		1,848,691	2,060,130	1,649,015
Depreciation	3	6,090	6,743	5,859
Capital charge		1,615	1,822	1,700
Total expenditure	4	2,028,378	2,247,311	1,819,874
Net surplus (deficit) for the period		224,437	20,971	(106,294)

The accompanying accounting policies and notes form part of these financial statements.

Statement of movements in equity

For the year ended 30 June 2007

This statement sets out the causes and changes to the opening equity during the course of the year.

	NOTES	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Public equity as at 1 July 2006		62,253	83,944	169,738
Net surplus/(deficit) for the year		224,437	20,971	(106,294)
Total recognised revenue and expenses for the year		224,437	20,971	(106,294)
Net transfer movements	5	(650)	0	(1,191)
Public equity as at 30 June 2007		286,040	104,915	62,253

The accompanying accounting policies and notes form part of these financial statements.

Statement of financial position

As at 30 June 2007

This statement reports the total assets and liabilities of Land Transport New Zealand. The residual interest in the assets after deducting liabilities is equity.

	NOTE	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Assets				
<i>Current assets</i>				
Cash and investments	6	328,963	361,283	222,118
Prepayments		206	220	617
Inventory		445	180	173
Crown receivable		231,327	40,000	46,953
Debtors and receivables	7	6,322	10,000	42,980
Total current assets		567,263	411,683	312,841
<i>Non-current assets</i>				
Fixed assets	8	19,118	24,934	19,393
Total assets		586,381	436,617	332,234
Liabilities				
<i>Current liabilities</i>				
Creditors and payables	9	294,426	327,762	264,424
Provision for repayment of surplus to the Crown		1,190	0	1,486
Employee entitlements	10	2,580	3,940	2,282
Total current liabilities		298,196	331,702	268,192
<i>Non-current liabilities</i>				
Employee entitlements	10	2,145	0	1,789
Total liabilities		300,341	331,702	269,981
Public equity				
General funds		19,075	19,075	19,075
Licensing memorandum account balances	11	167	1,870	5,927
National Land Transport Account balances	12	247,782	68,537	24,547
Accumulated operating surplus/(deficit)		19,016	15,433	12,704
Total public equity		286,040	104,915	62,253
Total liabilities and public equity		586,381	436,617	332,234

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2007

This statement summarises the cash movements in and out of Land Transport New Zealand during the year.

	NOTES	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Cash flows from operating activities				
Cash was provided from:				
> supply of outputs to the Crown		314,985	397,381	63,257
> supply of outputs to National Land Transport Programme		1,666,127	1,780,069	1,543,408
> supply of outputs to third parties		95,105	77,175	51,970
> net goods and services tax		17,514	0	11,261
> interest received		13,841	12,954	17,580
		2,107,572	2,267,579	1,687,476
Cash was applied to:				
> personnel expenses		(42,937)	(45,920)	(39,368)
> operating cost of outputs		(1,949,425)	(2,180,746)	(1,774,994)
> payment of capital charge to the Crown		(1,615)	(1,822)	(1,700)
		(1,993,977)	(2,228,488)	(1,816,062)
Net cash flows from operating activities	13	113,595	39,091	(128,586)
Cash flows from investing activities				
Cash was provided from:				
> sale of fixed assets		11	20	19
Cash was applied to:				
> purchase of fixed assets		(5,816)	(6,743)	(3,709)
Net cash flows from investing activities		(5,805)	(6,723)	(3,690)
Cash flows from financing activities				
Cash was provided from:				
> capital contributions from the Crown		0	0	0
Cash was applied to:				
> repayment of surplus to the Crown		(945)	0	(1,398)
Net cash flows from financing activities		(945)	0	(1,398)
Net increase/(decrease) in cash held		106,845	32,368	(133,674)
Opening cash balances		222,118	328,915	355,792
Closing cash balances				
Cash		185	100	254
Investments		328,778	361,183	221,864
Closing cash balances		328,963	361,283	222,118

The accompanying accounting policies and notes form part of these financial statements.

Statement of commitments

As at 30 June 2007

This statement records those expenditures to which Land Transport New Zealand is contractually committed and which will become liabilities if and when the contractual terms are met.

	NOTES	ACTUAL 2006/07 \$000	ACTUAL 2005/06 \$000
National Land Transport Programme funding commitments			
Not later than one year		1,587,900	1,466,191
Later than one year and not later than two years		477,357	188,599
Later than two years and not later than five years		396,502	169,813
Later than five years		0	0
		2,461,759	1,824,603
Non-cancellable operating lease commitments			
Not later than one year		17,483	13,777
Later than one year and not later than two years		16,596	15,561
Later than two years and not later than five years		47,164	43,365
Later than five years		45,475	49,611
		126,718	122,314
Total commitments		2,588,477	1,946,917

Statement of contingent liabilities

As at 30 June 2007

The statement discloses situations which existed as at 30 June 2007, the outcome of which is uncertain and will be confirmed only on the occurrence of one or more future events after the date of the financial statements.

	NOTES	ACTUAL 2006/07 \$000	ACTUAL 2005/06 \$000
Guarantees and indemnities		72	0
Total contingent liabilities		72	0

Building lease reassigned, however the original clauses of the lease will apply if the assignee defaults. Therefore the contingent liability reflects the exposure in case of default.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2007

NOTE 1 – THIRD PARTY REVENUE	2006/07 \$000	2005/06 \$000
Overdimension permits	211	226
Rail licensing fees	266	264
Border inspection fees	2,328	2,722
Transport licensing fees	4,520	4,377
Vehicle registration fees	5,248	5,247
Certification review fees	7,443	7,429
Administration fee from Accident Compensation Corporation	11,888	11,251
Driver testing fee	15,350	16,284
Driver licensing fee	24,647	25,475
Other revenue	2,543	2,157
Interest	14,067	17,183
	88,511	92,615

NOTE 2 – DISCLOSURE OF EXPENDITURE ITEMS	2006/07 \$000	2005/06 \$000
Expenditure includes:		
Fees paid to auditors for external audit	141	135
Fees for audit of NZ IFRS opening balance sheet	13	0
Fees paid to auditors for other services	17	0
Board members fees	214	233
Rental expense on operating leases	4,213	3,472
Bad debts written off	29	4
Change in provision for doubtful debts	18	170

NOTE 3 – DEPRECIATION	2006/07 \$000	2005/06 \$000
Computer equipment	1,615	1,725
Furniture and fittings	271	253
Leasehold improvements	302	292
Office equipment	89	96
Software	3,813	3,493
	6,090	5,859

NOTE 4 – DISCLOSURE OF EXPENDITURE BY OUTPUT CLASSES	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Research and performance monitoring	5,904	6,058	5,563
Promotion, information and education activities	30,933	33,936	32,976
Regulatory implementation and enforcement	23,906	25,405	20,439
Licensing activities	45,981	49,176	43,268
Management of funding allocation system	12,777	11,668	12,078
Motor vehicle registry and revenue management	60,186	60,938	56,535
Costs and expenses	179,687	187,181	170,859
Rail and sea freight	94	1,500	371
Transport demand management and walking and cycling	8,884	18,550	8,216
Passenger transport services	222,089	270,920	211,789
Regional land transport	19,784	60,960	6,104
Auckland land transport	7,990	20,550	4,947
Wellington land transport	62	12,010	93
Bay of Plenty land transport	29,267	55,000	0
New and improved infrastructure for state highways (1)	750,124	762,470	702,047
Maintenance of state highways (2)	217,686	173,130	209,035
New and improved infrastructure for local roads	298,128	436,360	281,012
Maintenance of local roads	224,142	175,990	225,401
Management of funding allocation system	70,341	72,690	0
National land transport programme excluding operating costs	1,848,691	2,060,130	1,649,015
Total NLTP and costs and expenses	2,028,378	2,247,311	1,819,874
Expenditure net of Transit NZ revenue			
(1) New and improved infrastructure for state highways	763,876	777,470	714,470
Less cost of NLTP funded by Transit NZ property sales	(13,752)	(15,000)	(12,423)
Total cost of NLTP funded by Land Transport NZ	750,124	762,470	702,047
(2) Maintenance of state highways	236,233	190,130	227,166
Less cost of NLTP funded by Transit NZ property sales	(18,547)	(17,000)	(18,131)
Total cost of NLTP funded by Land Transport NZ	217,686	173,130	209,035

NOTE 5 – NET TRANSFER MOVEMENTS	2006/07 \$000	2005/06 \$000
Net transfers to/from provision to repay MVR&RM surplus to the Crown	(1,190)	(1,486)
Net transfers to/from MVR&RM surplus approved for retention	540	295
	(650)	(1,191)

NOTE 6 – CASH AND INVESTMENTS	2006/07 \$000	2005/06 \$000
Cash and bank	185	254
Short term investments:		
ANZ Bank	59,140	77,885
ASB Bank	71,900	6,200
Bank of New Zealand	76,613	14,430
Citibank	60,640	68,995
Kiwibank	7,300	3,450
Westpac	53,185	50,904
	328,778	221,864
	328,963	222,118
Short term investments were deposited at the following terms:		
Less than 30 days	134,058	111,819
30 to 59 days	154,890	59,915
60 to 89 days	0	0
90 to 119 days	6,940	0
120 to 149 days	32,890	14,650
150 to 179 days	0	19,650
180+ days	0	15,830
	328,778	221,864
Weighted average effective interest rates for short term investments	8.2%	7.1%

NOTE 7 – DEBTORS AND RECEIVABLES	2006/07 \$000	2005/06 \$000
Trade debtors	3,515	3,372
Less provision for doubtful debts	(257)	(788)
	3,258	2,584
Other amounts receivable	1,139	22,811
GST receivable	1,925	17,585
	6,322	42,980

NOTE 8 – FIXED ASSETS	COST 30/06/07 \$000	ACCUMULATED DEPRECIATION \$000	NET BOOK VALUE \$000
2007			
Computer equipment	6,134	3,918	2,216
Furniture and fittings	2,265	666	1,599
Leasehold improvements	4,062	779	3,283
Office equipment	470	267	203
Software	21,254	9,437	11,817
	34,185	15,067	19,118
	COST 30/06/06 \$000	ACCUMULATED DEPRECIATION \$000	NET BOOK VALUE \$000
2006			
Computer equipment	5,020	2,634	2,386
Furniture and fittings	2,089	395	1,694
Leasehold improvements	2,969	461	2,508
Office equipment	391	155	236
Software	17,904	5,335	12,569
	28,373	8,980	19,393

NOTE 9 – CREDITORS AND PAYABLES	2006/07 \$000	2005/06 \$000
Trade creditors	174,471	160,679
Accrued expenses	119,955	103,745
	294,426	264,424

NOTE 10 – EMPLOYEE ENTITLEMENTS	2006/07 \$000	2005/06 \$000
Annual leave	2,580	2,282
Long service leave	359	251
Retirement leave	1,786	1,538
	4,725	4,071
Current	2,580	2,282
Non-current	2,145	1,789
	4,725	4,071

NOTE 11 – LICENSING MEMORANDUM ACCOUNT BALANCES	2006/07 \$000	2005/06 \$000
Opening balance	5,927	4,325
Revenue	40,221	44,870
Expenditure	45,981	43,268
Net surplus (deficit)	(5,760)	1,602
	167	5,927

NOTE 12 – NATIONAL LAND TRANSPORT ACCOUNT BALANCES	2006/07 \$000	2005/06 \$000
Opening balance	24,547	136,172
Revenue	2,071,926	1,537,390
Expenditure	1,848,691	1,649,015
Net surplus (deficit)	223,235	(111,625)
	247,782	24,547

NOTE 13 – RECONCILIATION OF THE NET SURPLUS (DEFICIT) FROM OPERATIONS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES	2006/07 \$000	2005/06 \$000
Net surplus from operations	224,437	(106,294)
Add (less) non-cash items:		
Depreciation	6,090	5,859
Increase (decrease) in non-current employee entitlements	356	117
	6,446	5,976
Add (less) movements in working capital items:		
(Increase) decrease in receivables/inventory	36,797	(11,898)
(Increase) decrease in receivable from Crown – NLTF	(184,374)	(14,300)
Increase (decrease) in payables	30,002	(2,316)
Increase (decrease) in employee entitlements	298	246
	(117,277)	(28,268)
Add (less) items classified as investing activities:		
Net loss (gain) on sale of assets	(11)	0
Net cash flow from operating activities	113,595	(128,586)

NOTE 14 – RELATED PARTY INFORMATION

Land Transport New Zealand undertakes transactions with other government departments, Crown agencies and state-owned enterprises. These transactions are carried out on an arms-length basis and it is considered that they do not fall within the intended scope of related party disclosure.

The motor vehicle registry and revenue management output class is managed by Land Transport NZ under contract to the Ministry of Transport. The Transport Registry Centre, based in Palmerston North, operates the motor vehicle registry and revenue management business. The other component of this output is the Economic Compliance Unit. This unit is situated in the Land Transport NZ National Office with field staff operating throughout the country from Land Transport NZ regional offices.

Land Transport NZ receives funding from the Road Safety Trust for providing administrative support.

During the 2006/07 financial year Board members and staff of Land Transport NZ were involved in minor transactions with the motor vehicle registry and driver licensing systems when re-registering their vehicle or driver licenses.

NOTE 15 – EMPLOYEES WITH TOTAL REMUNERATION PACKAGES IN EXCESS OF \$100,000

The term 'total remuneration package' is defined as including the following elements: salary, non-monetary benefits, and only those performance payments actually accrued or received.

TOTAL REMUNERATION PACKAGE:	2006/07	NUMBER OF EMPLOYEES 2005/06
\$100,000–\$110,000	14	11
\$110,001–\$120,000	10	11
\$120,001–\$130,000	8	4
\$130,001–\$140,000	4	5
\$140,001–\$150,000	4	3
\$150,001–\$160,000	1	2
\$160,001–\$170,000	0	2
\$170,001–\$180,000	0	2
\$190,001–\$200,000	4	0
\$200,001–\$210,000	1	0
\$370,001–\$380,000	0	1
\$380,001–\$390,000	1	0
	47	41

The Chief Executive's remuneration and benefits is in the \$380,001–\$390,000 band (2005/06: \$370,001–\$380,000 band).

Severance payments – During the financial year, three employees received severance payments totalling \$105,506 (2005/06 \$303,572).

NOTE 16 – BOARD FEES

No severance payments have been made to Board members. Remuneration through fees is all-inclusive and no consultancy or ex gratia payments or benefits have been provided to Board members other than fees. Board members earned the following fees during the year:

MEMBER	FEES 2006/07 \$000	FEES 2005/06 \$000
Mr Paul Fitzharris (Acting Chair)	40	30
Mr Murray King	7	0
Mr Gary McIver	22	0
Mr Gary Moore	7	0
Mr Greg Presland	30	30
Mr John Rutledge	7	0
Dr Janet Stephenson	30	30
Dr Jan Wright Stepped down in February 2007	40	60
Mr Gerry Te Kapa Coates Stepped down in March 2007	23	30
Mr Bryan Jackson Stepped down in September 2006	8	30
Mr David Stubbs Stepped down in April 2006	0	23
	214	233

The Board has taken insurance cover for Board members and employees for personal loss caused by wrongful acts in the course of their duties where indemnity is not available from the organisation. The Board has also taken insurance cover covering personal accident and travel risk for Board members and employees where injury or loss occurs whilst on Land Transport NZ business.

NOTE 17 – MAJOR BUDGET VARIATIONS**Statement of financial performance**

Annual funding from Crown was reduced by \$32.442 million from budget in anticipation of lower call on funds targeted to Auckland, Wellington and Bay of Plenty this year. Lower than budgeted NLTP expenditure reflected lower investment in local roads than forecast. This is expected to be caught up in the next financial year.

Statement of financial position

Cash and investments are reserves earmarked mainly for NLTP claims. Most variations reflect the timing of claims received from approved organisations.

NOTE 18 – CHANGES TO COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation and classification adopted in the current period.

NOTE 19 – ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

In December 2002, the New Zealand Accounting Standards Review Board announced that New Zealand International Financial Reporting Standards (NZ IFRS) will apply to all New Zealand reporting entities for the periods beginning on or after 1 January 2007.

Land Transport NZ intends to implement NZ IFRS in its annual financial statements for the year ending 30 June 2008.

Entities complying with the New Zealand equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings.

Land Transport NZ has completed the opening balance sheet in readiness for NZ IFRS reporting as at 30 June 2008.

Audit report

To the readers of Land Transport New Zealand's financial statements and performance information

For the year ended 30 June 2007

The Auditor-General is the auditor of Land Transport New Zealand. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of Land Transport New Zealand for the year ended 30 June 2007.

Unqualified opinion

In our opinion:

- > The financial statements of Land Transport New Zealand on pages 56 to 73:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - Land Transport New Zealand's financial position as at 30 June 2007; and
 - the results of its operations and cash flows for the year ended on that date.
- > The statement of service performance of Land Transport New Zealand on pages 32 to 55:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 11 October 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we 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 statement of service performance 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 the statement of service performance. 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 statement of service performance. 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 financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements or statement of service performance.

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

Responsibilities of the Board and the Auditor

The Board is responsible for preparing financial statements and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of Land Transport New Zealand as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, Land Transport New Zealand's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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

In addition to the audit we have carried out assignments during the reporting period in the areas of review of the costing methodology for proposed changes to the transport services licensing fees and charges and retrospective assurance over a tender process. These assignments are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in Land Transport New Zealand.



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and Statement of Service Performance

This audit report relates to the financial statements and the statement of service performance of Land Transport New Zealand for the year ended 30 June 2007 included on Land Transport New Zealand's web-site. Land Transport New Zealand's Board is responsible for the maintenance and integrity of Land Transport New Zealand's web site. We have not been engaged to report on the integrity of Land Transport New Zealand's web site. We accept no responsibility for any changes that may have occurred to the financial statements and the statement of service performance since they were initially presented on the web site.

The audit report refers only to the financial statements and the statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and the statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 11 October 2007 to confirm the information included in the audited financial statements and statement of service performance presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Supplementary information

Supplementary information – National Land Transport Fund

For the year ended 30 June 2007

This statement is provided as supplementary information to the financial statements because it is a major source of Land Transport New Zealand's revenue.

	ACTUAL 2006/07 \$M	BUDGET 2006/07 \$M	ACTUAL 2005/06 \$M
Opening balance	24	24	9
Revenue			
Road user charges	813	811	758
Fuel excise duty	815	766	727
Motor vehicle registration fees	223	220	221
Motor vehicle: other	13	11	14
ACC collection fee	12	12	12
Bad debt write off	(5)	(5)	(4)
	1,871	1,815	1,728
Plus government contribution			
Capital for state highways	488	488	95
Contribution in lieu of interest	7	2	18
	495	490	113
Less refunds			
Road user charges	27	27	32
Fuel excise duty	33	35	26
Motor vehicle registration	1	1	1
	61	62	59
Less distributions			
Land Transport New Zealand	1,967	1,967	1,497
New Zealand Police	236	234	209
Ministry of Transport	64	65	61
	2,267	2,266	1,767
Closing balance	62	0	24

All distribution figures are GST exclusive and have been prepared on an accrual basis.

The Ministry of Transport administers the National Land Transport Fund on behalf of the Crown. The National Land Transport Fund pays for the Land Transport New Zealand output classes, traffic enforcement and road safety education.

In accordance with section 9 (6) of the Land Transport Management Act 2003, the balance of all revenues into the National Land Transport Fund less distributions are payable to Land Transport New Zealand. The financial statements of Land Transport New Zealand recognise the distributions to Land Transport New Zealand and the closing balance of the National Land Transport Fund.

This supplementary information does not form part of Land Transport New Zealand's financial statements.

Supplementary information – National Land Transport Programme

For the year ended 30 June 2007

This statement is provided as supplementary information to enable comparison with Land Transport New Zealand's 2006/07 National Land Transport Programme as published in June 2006.

	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Maintenance of local roads			
Structural maintenance	240,189	241,740	224,394
Corridor maintenance	62,853	61,580	59,763
Professional services	35,026	33,020	31,180
Financial assistance grants	294	0	0
Preventative maintenance	3,165	4,500	2,192
Emergency work	46,939	65,100	46,789
	388,466	405,940	364,318
Maintenance of state highways			
Structural maintenance	217,843	208,500	188,430
Corridor maintenance	83,801	83,500	76,090
Professional services	54,130	55,000	50,921
Property management ³⁸	10,021	13,000	14,681
Preventative maintenance	4,611	5,000	4,952
Emergency work	32,593	32,070	24,135
	402,999	397,070	359,209
Improvement and replacement of local roads			
Improvements – minor safety	27,804	31,390	25,814
Commitments	75,231	41,230	58,224
New works	17,558	133,770	15,786
Property purchase	1,504	0	14,937
	122,097	206,390	114,761
Improvement and replacement of state highways			
Improvements – minor safety	28,413	26,500	21,298
Commitments	250,912	304,230	189,631
New works	245,359	265,110	275,300
Property purchase ³⁸	111,893	82,000	60,017
Debt funding of state highway improvements	0	(57,000)	0
	636,577	620,840	546,246
Travel demand management, rail and sea freight			
TDM – operations and maintenance	2,612	2,500	3,359
Travel behaviour change	2,726	8,330	93
Rail and sea freight operations	193	1,500	309
	5,531	12,330	3,761

38. Transit revenues in this statement have **not** been offset against Transit expenditure as the National Land Transport Programme is prepared on a gross funding basis.

	ACTUAL 2006/07 \$000	BUDGET 2006/07 \$000	ACTUAL 2005/06 \$000
Passenger transport			
Community services	129,940	136,010	116,075
Social services	4,760	5,240	4,023
Roading improvements	75,717	66,830	59,987
PT infrastructure	21,547	92,940	29,256
	231,964	301,020	209,341
Regional development	18,220	20,000	15,515
Walking and cycling	4,795	11,500	4,393
Administration and project control			
Transit	50,534	46,500	42,107
Regional councils	7,803	12,120	8,706
Local government	12,004	14,410	11,212
	70,341	73,030	62,025
Research and performance monitoring			
Research	3,949	4,000	4,520
Performance monitoring	1,955	2,060	0
	5,904	6,060	4,520
Management of funding allocation system	12,777	11,100	13,721
Total cost of the National Land Transport Programme	1,899,671	2,065,280	1,697,810

The difference between this Statement and the Statement of financial performance is that the National Land Transport Programme outputs within the Statement of financial performance are aligned to Land Transport New Zealand's 2006/2009 *Statement of intent* which includes the road controlling authorities and regional councils administration costs allocated against their respective outputs.

This supplementary information does not form part of Land Transport New Zealand's financial statements.

Supplementary information – Regionally distributed funds

For the year ended 30 June 2007

This statement is provided as supplementary information to separately show the funding received from the Crown for specific regions.

	ACTUAL 2006/07 \$000	ACTUAL 2005/06 \$000
Regional land transport		
Opening balance	244,896	50,000
> Revenue	205,500	201,000
> Expenditure		
> Northland	988	422
> Auckland	11,106	3,701
> Waikato	533	0
> Bay of Plenty	2,295	61
> Tairāwhiti	325	0
> Hawke's Bay	142	285
> Manawatu/Wanganui	1,038	46
> Wellington	0	0
> Nelson/Marlborough/Tasman	469	4
> West Coast	177	56
> Canterbury (Including Chatham Islands)	1,080	835
> Otago	1,073	50
> Southland	558	644
	19,784	6,104
Net surplus (deficit)	185,716	194,896
Closing balance	430,612	244,896

Supplementary information – Crown funded appropriations

For the year ended 30 June 2007

	ACTUAL 2006/07 \$000	ACTUAL 2005/06 \$000
Auckland land transport		
Opening balance	92,830	47,110
Revenue	20,550	50,667
Expenditure	7,990	4,947
Net surplus (deficit)	12,560	45,720
Closing balance	105,390	92,830
Wellington land transport		
Opening balance	9,796	0
Revenue	12,010	9,889
Expenditure	62	93
Net surplus (deficit)	11,948	9,796
Closing balance	21,744	9,796
Bay of Plenty land transport		
Opening balance	0	0
Revenue	55,000	0
Expenditure	29,367	0
Net surplus (deficit)	25,633	0
Closing balance	25,633	0

This supplementary information does not form part of Land Transport New Zealand's financial statements.

Supplementary information – Revenue sources and their application to work functions

Actuals for year ended 30 June 2007

OUTPUT CLASSES	REVENUE SOURCE \$(000)					
	Crown annual	Crown NLTF	Contract services with MoT	Third party revenue	Expenditure \$(000)	Net surplus (deficit) \$(000)
Research and performance monitoring		4,244			5,904	-1,660
						-1,660
Promotion, information and education activities		33,826			26,457	7,369
				4,476	4,476	0
						7,369
Regulatory implementation and enforcement	548				257	291
		1,985			1,985	0
			1,013		1,059	-46
				22,097	20,605	1,492
						1,737
Licensing activities	1,655				1,655	0
				38,566	44,326	-5,760
						-5,760
Management of the funding allocation system		11,102			12,777	-1,675
						-1,675
Motor vehicle registry and revenue management		444			271	173
			48,441		47,424	1,017
				12,491	12,491	0
						1,190
National Land Transport Programme						
Rail and sea freight		2,000			94	1,906
TDM and walking and cycling		19,801			8,884	10,917
Passenger transport services		235,753			222,089	13,664
Regional land transport		205,500			19,784	185,716
Auckland land transport	20,550				7,990	12,560
Wellington land transport	12,010				62	11,948
Bay of Plenty land transport	55,000				29,367	25,633
New and improved state highways	225,222	543,698		10,881	750,124	29,677
Maintenance of state highways		197,553			217,686	-20,133
New and improved local roads		314,549			298,128	16,421
Maintenance of local roads		171,911			224,142	-52,231
Management of funding allocation		57,499			70,341	-12,842
						223,236
Annual report 2007	314,985	1,799,865	49,454	88,511	2,028,378	224,437
Total revenue				2,252,815		

WORK FUNCTIONS

- > Commission and publish research
- > Monitor and report on the performance of the land transport system
- > National advertising, walking and cycling, school road safety education
- > Provide funding for the community road safety programme
- > Provide information and education for drivers and others
- > Manage the Crash Analysis System and Road Safety Trust administration
- > Provide ministerial advice
- > Monitor and audit road networks
- > Develop land transport rules
- > Monitor and audit vehicle certification and testing, transport service operators, driver licences, rail operators
- > Commission drug and alcohol assessments
- > Subsidies for older drivers
- > Commission licensing and testing services for drivers
- > Provide licensing services for transport service and rail operators
- > Maintain integrity of licence registers
- > Provide licensing information and advice to agents and public
- > Manage the NLTA, NLTP and the Authority's Land Transport Programme
- > Audit, assist and advise approved organisations
- > Pay fees to storage providers for unclaimed impounded vehicles
- > Provide an administrative and accounting service for the collection and refund of motor vehicle registration/licensing fees, road user licences and fuel excise duty
- > Provide an administrative and accounting service for the collection of ACC levies
- > Allocate funding to:
 - > encourage the movement of freight by rail and coastal shipping
 - > traffic demand, behaviour change, and walking and cycling infrastructure
 - > non-commercial road, rail and ferry passenger transport
 - > fund maintenance and improvements to state highway infrastructure
 - > fund maintenance and improvements to local road infrastructure
- > Provide administration funding for Transit and local authorities

Glossary of terms

Accident Compensation Corporation (ACC)	The Accident Compensation Corporation (ACC) is a Crown entity that administers New Zealand's accident compensation scheme, which provides personal injury cover for all New Zealand citizens, residents and temporary visitors to New Zealand.
Allocation process	See Land Transport NZ's allocation process.
Approved organisation (AO)	Defined in section 5 of the Land Transport Management Act 2003 as Transit New Zealand, regional councils, territorial authorities and other approved public organisations.
Australasian new car assessment programme (ANCAP)	ANCAP provides consumers with consistent information on the occupant protection level of new vehicles in serious front and side crashes. Broadly supported by all Australian automobile clubs, the Federal Office of Road Safety and State Government road and transport authorities in all states except Victoria and Tasmania, the programme provides accurate data through a series of closely monitored and controlled collisions.
Block allocation	An allocation of a 'block' of funds to cover a number of low-risk projects.
BCR (B/C)	Also referred to as the benefit-cost ratio. The BCR represents the number of dollars of public benefit gained per dollar of approved organisation expenditure (capital and maintenance) over a 25-year period.
Certificate of fitness (CoF)	A regular safety check required for heavy vehicles such as trucks, tractors, buses, large motor homes and large trailers; all passenger service vehicles, such as taxis, shuttles and buses; and rental vehicles. It is illegal to drive one of these vehicles on the road if it doesn't meet the CoF requirements, or doesn't display a valid CoF sticker.
Community Road Safety Programme (CRSP)	Land Transport NZ-endorsed programmes to enhance road safety, and delivered by community providers in a community context.
Corridor maintenance	Maintenance work, other than that which prolongs the life of the road pavement, to maintain safety and aesthetic standards, eg pavement marking, traffic signs, marker posts, vegetation control.
GST	Goods and services tax.
Km	Kilometre – a measure of length or distance (= 1000 metres).
Land transport	Transport on land (or water) by any means, and the infrastructure facilitating such transport, including all forms of road and rail transport. The definition also includes surface effect vehicles, eg, hovercraft and harbour ferries.
Land Transport NZ's allocation process	The process used to prepare the National Land Transport Programme (NLTP). The process is used to make any amendments to the published NLTP, consider applications for funding and develop the future NLTP.
Land Transport Safety Authority (LTSA)	Established in 1993 as a stand-alone safety authority with an aim to create a land transport safety culture in New Zealand. Its mission was to promote safety in land transport at a reasonable cost, including managing land transport information and revenue systems. Under the Land Transport Management Act 2004, the LTSA merged with Transfund and on 1st December 2004 formed Land Transport New Zealand.
Lane kilometre	A measure of length – one lane kilometre = one kilometre along a single lane of a road.
Local authority	Any regional council or territorial authority as in section 5(1) of the Local Government Act 2002.
LTMA	The Land Transport Management Act 2003.
Minister	The Minister of Transport.
MoT	Ministry of Transport.
Motor vehicle register (MVR)	Established under the Transport (Vehicle and Driver Registration and Licensing) Act 1986, and records details of vehicles that are registered to operate on the road.
Motor vehicle registry and revenue management (MVR&RM)	Operates under a contract between Land Transport NZ and the Secretary for Transport and administers the Transport Registry Centre.
New	Newly created output classes and related measures for the 2006/07 year. No comparable measures are available from 2005/06.

NLTA	National Land Transport Account – the account(s) established by Land Transport NZ in accordance with section 10 of the Land Transport Management Act 2003.
NLTP	The annual National Land Transport Programme is produced in accordance with section 19 of the Land Transport Management Act 2003. The NLTP covers Land Transport NZ's distribution of funds for the national land transport needs for each year, as approved by the Land Transport NZ Board.
NLTP agreements	Relationship and accountability agreements established between Land Transport NZ and approved organisations covering the rights and responsibilities of the parties under the NLTP.
NZTS	The New Zealand transport strategy.
Output class	Throughout government in New Zealand, output class refers to a grouping of goods and services as defined in the Public Finance Act 1989. For Land Transport NZ it refers to a specific category of funding provided by the government for distribution under the NLTP. The output classes are listed in the Annual report.
Overdimension permit (ODP)	Vehicles or loads that exceed allowable size limits are considered over-dimension and will need an ODP (which will typically impose specific constraints of time, route etc) in order to travel on public roads.
Passenger kilometres	A unit of measurement of passenger transport – one passenger kilometre equals one kilometre travelled by one passenger.
Pavement	All the material between the road surface and the underlying foundation of the road. The pavement spreads vehicle loads into the underlying foundation. The quality of the pavement contributes to the quality of the ride experienced by vehicle users.
Profile	An activity profile is used to describe the importance of the activity, how well it contributes to desired land transport outcomes (as described in the LTMA) and its cost. The three factors used are: seriousness and urgency, effectiveness and economic efficiency.
Regional council	As defined in section 5(1) of the Local Government Act 2002.
Road	As defined in section 5(1) of the Local Government Act 2002. Roading has a corresponding meaning.
Road controlling authority (RCA)	An RCA is an authority responsible for providing roading outputs. RCAs include Transit New Zealand, territorial authorities, the Department of Conservation and the Waitangi Trust.
Road user charges (RUC)	Users of diesel-powered vehicles contribute towards the cost of the upkeep of New Zealand's roads by paying road user charges. (Other road users pay levies in the price of their fuel.) All the revenue collected from road user charges goes into the National Land Transport Fund. Road user charges are administered by Land Transport NZ and enforced by the NZ Police.
Safety management system (SMS)	Ensures that decisions about construction, maintenance and management of the road networks consider safety, and help achieve targets and goals identified in national and local road safety strategies.
SOI	The Statement of intent, as approved by the Minister of Transport and produced in accordance with the Crown Entities Act 2004 comprises the objectives and performance targets for the stated year, against which Land Transport NZ is evaluated.
SOPP	Statement of projected performance contained in Land Transport NZ's Statement of intent.
SSP	Statement of service performance, which reports Land Transport NZ's performance against the Statement of projected performance contained in the Statement of intent.
State highway	A state highway is a roadway declared as such under section 2(1) of the Transit New Zealand Act 1989.
Structural maintenance	Maintenance work carried out on the pavement to maintain its structural integrity and serviceability.
Transit New Zealand (Transit)	As defined under sections 75 and 83 of the Land Transport Management Act 2003, Transit is responsible for the operation of the state highway system in a way that contributes to an integrated, safe, responsive and sustainable land transport system.
Transport service licence (TSL)	Operators of any transport service, such as a goods service, passenger service, vehicle recovery service, vehicle rental service or a rail service, must hold an appropriate transport service licence.
Warrant of fitness (WoF)	A warrant of fitness is a periodic safety inspection that is compulsory for light vehicles (eg, most cars, vans, utes and 4WDs). Vehicles first registered anywhere less than six years ago must have WoF inspections every 12 months. All other vehicles must have WoF inspections every six months.

Appendix – Land Transport NZ’s functions

The legislative functions of Land Transport NZ are outlined in section 69 of the Land Transport Management Amendment Act 2004.

(1) The functions of the Authority are:

- (a) to promote land transport sustainability in New Zealand
- (b) to prepare and adopt a land transport programme under section 12A and a national land transport programme under section 19
- (c) to review and revise the National Land Transport Programme in accordance with its most recent performance agreement
- (d) to approve activities and activity classes
- (e) to make payments from the National Land Transport Account as authorised by this Act
- (f) to promote safe transport on land in New Zealand
- (g) to provide safety information and advice, and to foster appropriate information education programmes that promote its objective
- (h) to investigate and review accidents and incidents involving transport on land in its capacity as the responsible safety authority, subject to any limitations set out in the Transport Accident Investigation Commission Act 1990
- (i) to approve procurement procedures under section 25
- (j) to maintain and preserve records and documents concerning activities within the land transport system, and in particular to maintain the Land Transport Register under the Land Transport Act 1998
- (k) to audit the performance of approved organisations in relation to activities approved by the Authority and the operation of the organisation’s land transport disbursement account
- (l) to assist and advise approved organisations in relation to the Authority’s functions, duties and powers under this Act and the Land Transport Act 1998
- (m) to fund research, education, and training activities and activity classes
- (n) to provide the Minister with any advice relating to the Authority’s functions that the Minister may request
- (o) to co-operate with, or to provide advice and assistance to, any government agency or local government agency when requested to do so by the Minister, but only if the Minister and the Authority are satisfied that the performance of the Authority’s functions and duties will not be compromised
- (p) to carry out any other functions relating to land transport that the Minister [directs in accordance with section 112 of the Crown Entities Act 2004].

(2) The Authority’s statutorily independent functions are:

- (a) to determine whether particular activities should be included in a National Land Transport Programme
- (b) to approve activities
- (c) to approve procurement procedures.

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