

1 APRIL to 30 JUNE 2013

Q4 2012/13

Quarterly results and insights



NZ TRANSPORT AGENCY
WAKA KOTAHI

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PERFORMANCE OVERVIEW

Q4 A high level view of results
























Achieving the aims of our ten key result areas	1 Customers	2 Safety [2 objectives not fully met]	3 Freight [target and 2 objectives not fully met]	4 RoNS	5 Public transport [target and 1 objective not fully met]	6 Canterbury recovery	7 Auckland	8 Value for money [2 targets not met]
Strong financial performance	NLTF [revenue uncertainty]	NLTP expenditure [4% under budget]	A&U revenue [1% over budget]	A&U expenditure [3% under budget]	NZTA operating expenditure [2% under budget]	Borrowing [as planned]		
Service delivery performance	To be reported in our 2012/13 Annual Report							
Strong organisational health & capability	Core systems and processes [stable and strong]				People metrics [2 targets not met]			

- Achieved all our targets and milestones for 2012/13
- Achieved most of our targets and milestones for 2012/13
- Most targets and milestones have not been achieved in 2012/13

STRATEGIC RISKS

Operating context

Sharper focus on maximising cost effectiveness defines changes in our current operating context

Initiative	Rating												
LTMA amendments													
Resource management reforms													
Local government reforms													
Privacy Act review													
Health and safety (Pike River Implementation Bill 2013)													
	<table border="1"> <thead> <tr> <th colspan="2">Negative</th> <th colspan="2">Neutral</th> <th colspan="2">Positive</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Negative		Neutral		Positive							
Negative		Neutral		Positive									
													

Simplifying transport objectives

The Land Transport Management Amendment Act 2013 was enacted on 14 June 2013. The Act simplifies the objectives for land transport and the NZ Transport Agency by changing the purpose of the Land Transport Management Act 2003 (LTMA) “to contribute to an effective, efficient and safe land transport system in the public interest”.

The amendment Act also made the following changes to the LTMA:

- Amended the makeup of Regional Transport Committees;
- Removed the statutory obligation for regional land transport strategies (RLTSs), renamed regional land transport programmes as regional land transport plans, which set out a region’s land transport objectives, policies and measures for at least ten financial years;
- Removed duplicated consultation processes in the preparation of regional land transport plans;
- Removed provisions in the LTMA that complicated the use of tolling and public private partnerships;
- Included toll revenue in the National Land Transport Fund (NLTF); and
- Repealed the Public Transport Management Act and incorporated some of its provisions into the LTMA (allowing for the formal establishment of the Public Transport Operating Model).

Impact: The amendments allow us to make a number of efficiency gains in some of our planning and investment processes. They will also impact on local government with the potential to reduce compliance costs relating to planning and consultation. The formalisation of the Public Transport Operating Model is part of a wider collaborative process that has involved the NZ Transport Agency, local authorities and public transport providers.

Full strategic and operational alignment with the changes is required by July 2015. As well as working closely with the Ministry of Transport to implement the changes, we’ll develop guidance and processes to support local government in achieving full compliance with the changes.

Resource Management Act changes

The Resource Management Reform Bill 2012 was reported back to the House in early June. The Bill is an omnibus bill that will amend a number of acts with the aim of making improvements to the consenting regime, providing for the delivery of the first combined plan for Auckland, providing further powers to make regulations, and making technical and operational changes.

In February 2013, the Minister for the Environment released a discussion document called Improving our resource management system, which outlines proposals to make the system more predictable with less duplication and cost, while more effectively safeguarding environmental, social and cultural outcomes.

The proposals include fewer and better resource management plans, more efficient and effective consenting, better natural hazard management, more effective and meaningful Maori participation and working with councils to improve practice.

Consultation on the discussion document closed in April 2013 and a further reform bill incorporating the proposals is likely to be introduced to Parliament in August 2013.

Impact: The proposed reforms are likely to have a positive impact on our ability to progress designation and consents, with other positive gains made through improved national decision-making consistency, quicker decisions and reduced planning churn.

Local government reform

The Government is progressing its “Better Local Government” reform programme aimed at providing clarity around the role of councils, stronger governance, improved efficiency and more responsible financial management. The reforms are part of the Government’s broader programme for building a more productive, competitive economy and better public services.

Phase two of the reform programme is being progressed via a second local government reform bill that is scheduled to be introduced to Parliament in October 2013 and enacted in May 2014. This is expected to provide for:

- Efficiency improvements to local government consultation, decision-making and long-term/annual planning requirements;
- More efficient delivery arrangements, including better allocation of functions between territorial authorities and regional councils; and the
- Incorporation of infrastructure strategies and asset management plans for core infrastructure, which includes roads and footpaths, in long-term plans.

An expert advisory group is also looking at improving local government infrastructure purchasing, provision and maintenance. This includes a focus on how to reduce the whole-of-life cost of local government infrastructure, improving project selection, the setting of levels of service and improving local government benefit/costs analysis.

Impact: Local government reforms are likely to have implications for how we interact with approved organisations. In the meantime, the pressure on approved organisations is proving to be a distraction for them, and is influencing our interactions with them.

Overall the proposed reforms of local government, that we have visibility of, should eventually be beneficial for integrated land transport planning and investment, although there may be some transitional churn as local government adjusts to new requirements.

Consolidation/collaboration at local government, examples:

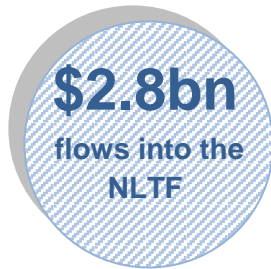
Hawkes Bay: The Local Government Commission (LGC) has received reorganisation proposals from the “A Better Hawkes Bay” Trust (which proposes the amalgamation of four territorial authorities while retaining the regional council) and the Hawkes Bay Regional Council (East Coast Regional Council assuming regional council responsibilities for the area of the east coast stretching from Wairoa to the Rimutaka Ranges). At this stage, the LGC is continuing to gather information, prior to the development of a draft reorganisation proposal, which the LGC has signalled will be consulted on early in 2014.

Wellington: Local authorities in the Wellington region continue to debate local government reforms. Reorganisation proposals from various Wairapapa councils (a Wairarapa unitary council), Wellington City Council (a single Wellington region unitary council), and Greater Wellington regional councils (a two tier unitary council structure) have been submitted to the LGC for consideration.

The LGC is currently assessing community support for reorganisation in the Wellington region before considering the proposals. The LGC have signalled they will not consult on a draft reorganisation proposal, until after the local body elections.

Key Operating Assumptions

Revenues grow, but less than expected



Revenues flowing into the National Land Transport Fund for the year ended June 2013 were 4% lower than budget. This reflects a slight fall in total vehicle kilometres travelled during the year. Behavioural responses to changes in the road user charges system could also be affecting this.

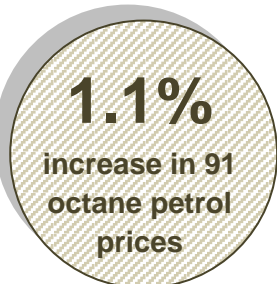


Fares generated from boardings on public transport (including SuperGold fares) increased to \$308m for the year ended June 2013. Big gains were achieved in Canterbury, with rising patronage increasing revenues generated from fares by about 19%. Despite a dip in patronage, fares generated in Auckland rose by just over 8%.

Price pressures remain benign



Input costs for the construction sector rose by 1.4% for the year ended March 2013 and 0.2% for the quarter ended March 2013 when compared to the previous quarter. These increases have yet to be seen in tender box prices.



The price of 91 octane petrol paid by New Zealand motorists rose by an average 1.1% for the year ended June 2013. This is despite the fact that average US\$ crude oil prices fell by 3.1% over this period and the NZ\$ strengthened by 2.1% against the US\$.

Regional differences in passenger travel

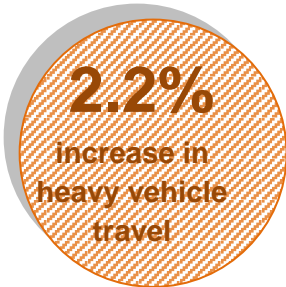


The number of passenger vehicles counted at telemetry sites rose by 1.9% for the year ended June 2013 as work related travel grew in line with the current economic recovery. A 1.2% drop in passenger vehicle counts during the quarter ended June 2013 (when compared to the corresponding quarter in the previous year) reflected the impact of severe weather events on discretionary travel.

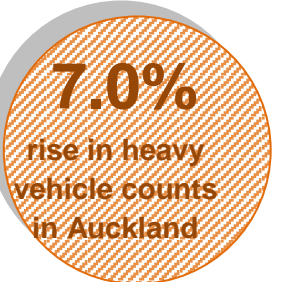


Passenger vehicle counts in Christchurch rose by 9.8% for the year ended June 2013 as post-earthquake recovery efforts continue to build momentum. The number of passenger vehicles counted at telemetry sites in Auckland rose by 2.2%, while in Wellington growth in travel was a more modest 0.9%. Outside of these centres, passenger vehicle counts rose by 2.4%.

More heavy vehicles on the road

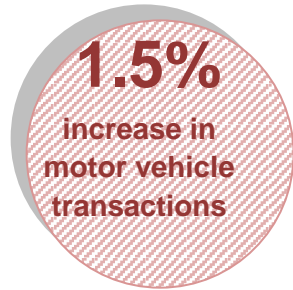


Heavy vehicle counts rose by 2.2% for the year ended June 2013, reflecting the pace of New Zealand's economic recovery. A fall of 2.1% for the quarter ended June 2013 (when compared to the corresponding quarter in the previous year) can be attributed to the impact of severe weather events that occurred during the quarter.

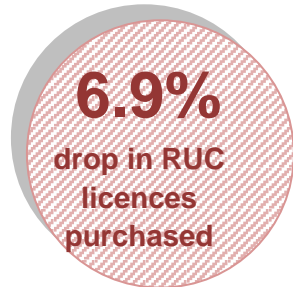


Heavy vehicle counts in Auckland rose by 7.0% for the year ended June 2013, in line with the improvement in economic growth. By contrast, the number of heavy vehicles counted in Wellington fell by 4.7% over the same period. Activity in Christchurch grew by 3.6% and the number of heavy vehicles counted outside of the major centres rose by 4.2%.

Transaction volumes are mixed



1,376,234 motor vehicle registration transactions were completed in the quarter ended June 2013 - a 1.5% increase over the corresponding period in the previous year. Of these, 332,767 were completed online, representing a 5.9% increase over the same period in the previous year. Both indicators reflect a continued trend towards purchasing motor vehicle licences of shorter frequencies.



549,794 road user charges licences were purchased during the quarter ended June 2013, 6.9% lower than that recorded for the corresponding period in the previous year (but a 0.9% increase over that posted for the previous quarter). Of these 300,992 were completed online.

Regional Differences in PT Patronage



There were 132.7 million boardings on public transport during the year ended June 2013, up from 132.4 million recorded for the previous year. The main contributor was the completion of the public transport network in Christchurch, resulting in an 18.4% increase in Canterbury. The number of people using public transport (bus, rail and ferry) rose 6.5% for the quarter ended June 2013 compared to the previous quarter, and 1.8% to 34.3 million when compared to the same quarter in the previous year.





Patronage on public transport in Auckland fell by just under 2.9% for year ending June 2013. However, an improving trend is becoming more evident with boardings in Auckland falling by just 0.2% during June 2013 quarter. Rail and ferry patronage both experienced positive growth, while bus patronage, which fell by 0.9%, showed a significant improvement on the 3.7% decline posted for the March 2013 quarter. The improving trend in patronage in the region reflects a better performance from the regional economy and the impact of flat energy prices.




KEY RESULT AREA 1: CUSTOMERS

Our aim is to improve customer service while reducing compliance costs.

In this quarter we have:

-  achieved good results against all key customer service indicators, and
-  achieved good overall results on our deliverables


Q4: Good results on customer service indicators, with one marginal miss

Key customer service indicators	Baseline 2009	Quarter one result	Quarter two result	Quarter three result	Quarter four result	Result
Driver licensing customer satisfaction rating	74%	75%	73%	72%	71%	
Motor vehicle registration customer satisfaction rating		80%	81%	80%	79%	
State highways customer satisfaction rating	58%	58%	59%	58%	58%	



The Kiwis Count survey is used to measure customer satisfaction with our driver licensing and motor vehicle registration services. The following is the commentary from the survey itself regarding the slightly declining results for driver licensing:

“The overall service quality score for the Motor Vehicles group decreased. This is the third highest group score for the March 2013 quarter (after Passports and the Border Services group). The score for both individual services each decreased a further point on the December scores. The overall change is not statistically significant and the service group score remains five points above the survey average.”

Q4: Good results overall

Objective for 2012/13	What we achieved	Result
Negotiate with our investment partners unambiguous terms for the NZ Transport Agency’s investment delivery as part of streamlining	<p>We have continually advised our investment partners of the investment priorities as set out in the SOI and in the NLTP during the delivery of the 2012/13 year, the first year of the 3-year NLTP. These investment signals have taken into account progress with delivery of the key initiatives and also the revenue available.</p> <p>A series of key actions have been identified and included in our 2013/14 business plan that will continue to deliver on this outcome.</p>	

Key result area 1 | Customer service

Objective for 2012/13	What we achieved	Result
<p>Implement the modernised road user charges system in line with the Road User Charges Act 2012</p>	<p>The new RUC Act 2012 came into effect on 1 August 2012 and the focus in 2012/13 has been on successfully closing residual issues and ensuring smooth operation of the new system. Key achievements are:</p> <ul style="list-style-type: none"> (i) The new RUC staffing model is now fully operational (ii) Operational policy has been largely completed with just liaison with industry on RUC assessment operational policy to be completed (iii) The Section 40 exemption process was implemented on 1 July 2013 (iv) The \$1,000 limit on credit card RUC licence purchases was removed in late May 2013 and uptake of larger RUC purchases has been good. This was the first step in a plan to further grow RUC online transactions and it has been well received by industry (v) The automatic debt assessment process has been implemented and is achieving anticipated results. 	
<p>Support a culture that will improve customer service and reduce compliance costs; Build a reputation of customer service excellence</p>	<p>The Agency's staff engagement survey was carried out in April. The survey included several questions focusing on customer service with some of these questions the same as the previous survey. Between the two surveys it is encouraging to see that there is increased agreement that staff are encouraged to identify how they can improve service to customers and that there is greater utilisation of customer feedback to improve services. An open ended question around how we could provide better service also provided insightful feedback around how we can further support our customers. This is a positive step towards putting the customers at the heart of our business and our culture of continuous improvement and innovation.</p> <p>The Agency's 2013-16 Statement of Intent includes customers as one of our five priorities. We are committed to putting the customer at the heart of our business to make it easier for people to do the right thing and provide services the public value. We are utilising a top-down, bottom-up approach to build organisational capability so that insights and feedback from our customers are used to improve the overall customer experience.</p>	

KEY RESULT AREA 2: ROAD SAFETY

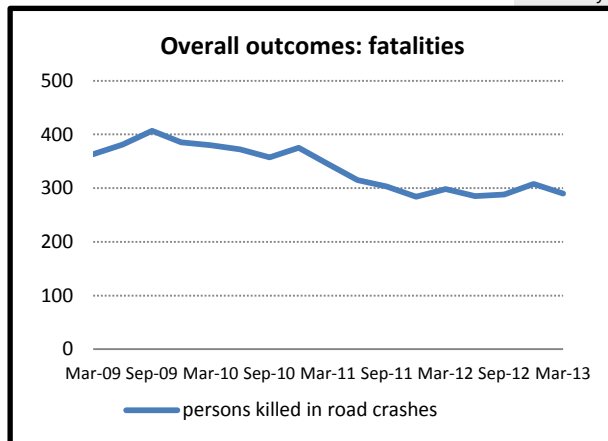
Our aim is to reduce deaths and serious injuries

Q4: Mixed results against objectives

In this quarter:

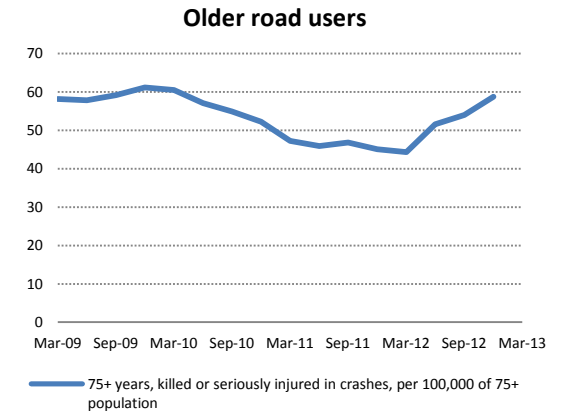
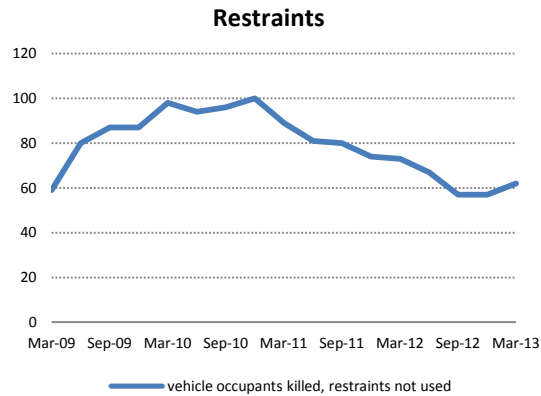
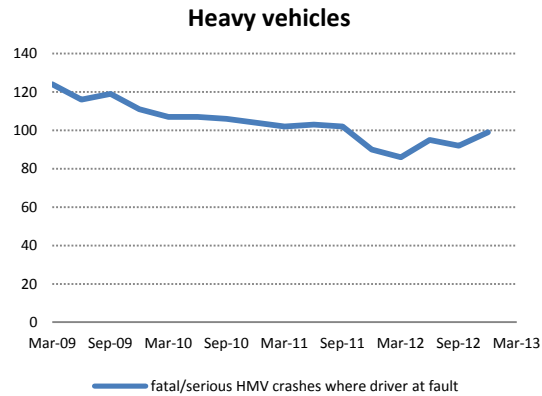
- Excellent result on fatalities
- 9 of our Safer Journeys goal result indicators moved in the right direction (reported one quarter in arrears)
- 3 of our Safer Journeys goal result indicators caused some concern (reported one quarter in arrears)
- We have made variable progress on our deliverables

Q3: Excellent result

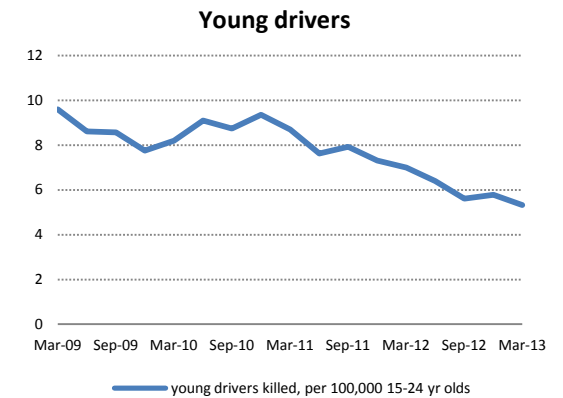
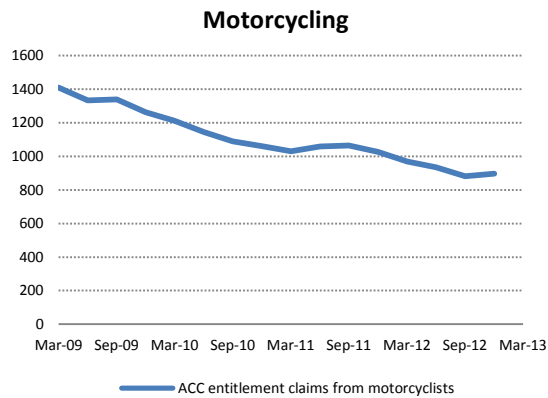
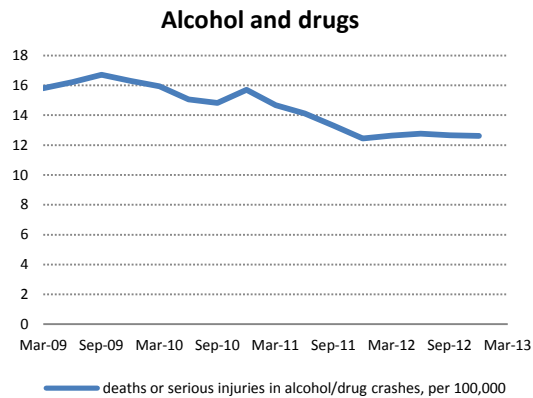


Objectives for 2012/13	What we achieved	Result
Contribute to the delivery of the 2011/12 Safer Journeys Action Plan, and the completion of the 2013-15 action plan	All but four actions from the 2011/12 Safer Journeys Action Plan were completed in 2012/13 as planned, and the four will all be completed in the coming months. The uncompleted actions from the first action plan (demonstration projects in Coromandel and Maramarua, final version of the <i>High risk intersection guide</i> , motorcycling training and licence improvements, and child restraint age extension).	● ●
Key NZ Transport Agency manuals, policies and operating procedures aligned to safe system treatments and interventions (As specified in the 2012 edition of the NZ Transport Agency's Road Safety Strategic Plan, which is contingent on the Safer Journeys Action Plan)	Most safety specific systems, processes and manuals that guide decision making are now aligned or moving toward embedding the approach. Of the 26 key manuals, systems and processes influencing decision making originally identified for review, 16 are aligned sufficiently not to present a barrier. Of the remaining ten, six are in progress or programmed for review in 2013/4, and four need further re-assessment to determine the extent to which they really present a barrier to applying the approach. As more staff attend safe system training and improve their understanding of the approach, there may be increased visibility of other systems, processes and manuals requiring review.	● ●
Safe System training pilot successfully complete	The <i>Safe System in Practice</i> course has continued to be successful with eight courses delivered to 448 attendees. The 2012 Training Needs Analysis targeted approx 250 NZ Transport Agency staff, 154 (61%) of whom have completed the training. Six further courses are planned for the remainder of 2013. The training needed across the sector was estimated to be around 2000 people, of whom approx 22% have now participated.	●

Q3: Three areas of concern

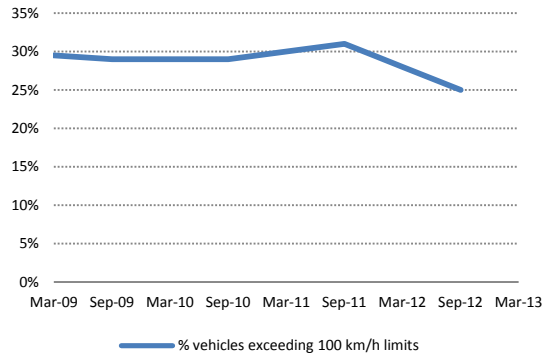


Q3: Nine positive or neutral results

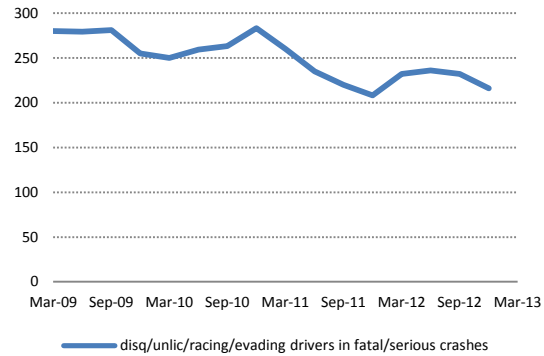


Key result area 2 | Road safety

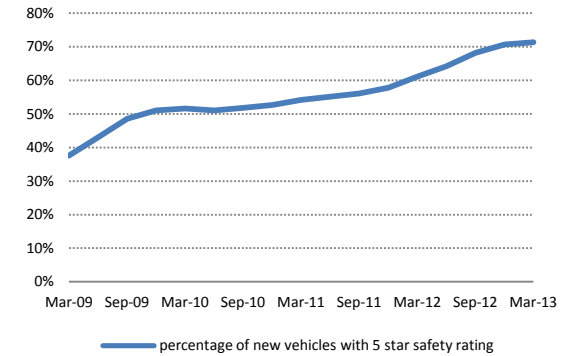
Speed



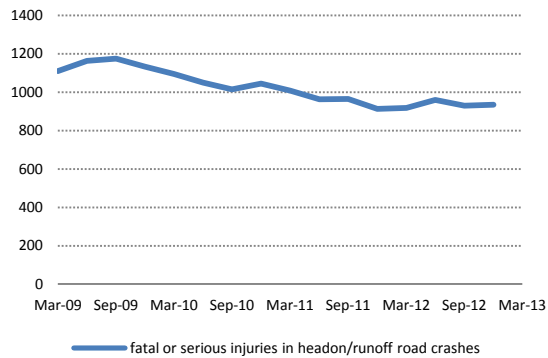
High risk drivers



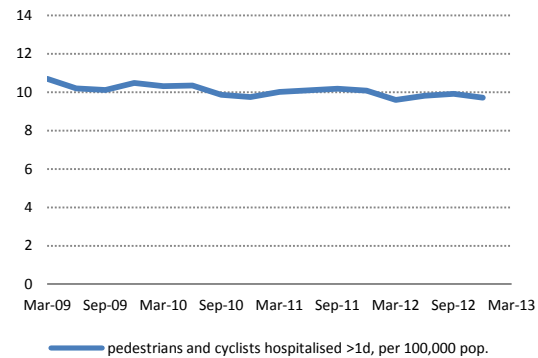
New cars and light commercials



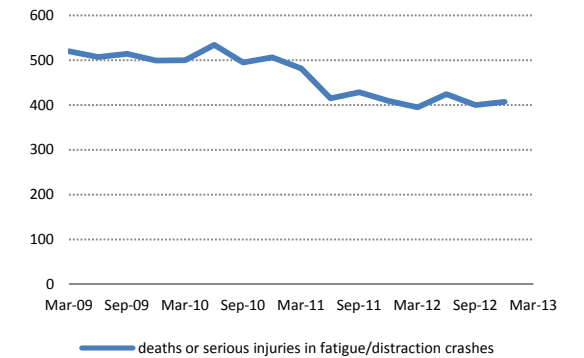
Roads and roadsides



Walking and cycling



Fatigue and distraction



Feature

Community Road Safety Fund launched

A new fund has been launched following the winding up of the Road Safety Trust.



The fund reflects the Transport Agency's commitment to work with road safety professionals and commercial partners to leverage existing networks, and maximise innovation and efficiency.

The Community Road Safety Fund will help improve road safety outcomes by co-funding, in partnership with others, Safe System-based initiatives which might otherwise not occur.

The primary focus will be on larger projects that have the potential to impact many people, but we'll also support some traditional smaller, locally focused initiatives.

An advisory committee, made up of representatives from the Transport Agency, ACC, Police and the AA will set the direction of, and make decisions for, the Community Road Safety Fund. Initiatives will be assessed against criteria relating to strategic fit, cost effectiveness, and partnering capability and capacity.

One project already working in this way is the Community Learner Driver Programme. We're partnering with the AA, local councils and community groups to help certain young drivers get the experience they need to become safer drivers and gain their restricted driving licence. Two slightly different pilot schemes are being trialed within the project and pending evaluation the results may feed into a national programme rollout.

The Transport Agency's contribution to the Community Road Safety Fund will come from the profits of the sale of personalised plates.

KEY RESULT AREA 3: FREIGHT

Our aim is to improve the efficiency of freight movements

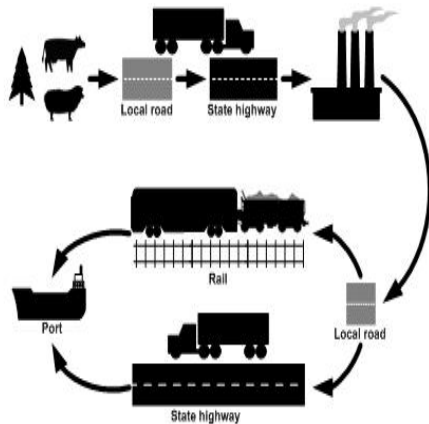
Q4: Desired result missed by a small margin

Efficiency indicators	Target	Quarter one result	Quarter two result	Quarter three result	Quarter four result	2012/13 Result
Average daily measured weight of freight vehicles (tonnes)	22.7	22.56	22.04	21.2	22.4	● 22.05

The quarter four result is close to target (98.68%). The underlying trend reflects generally patchy economic conditions. For the year ended 30 June 2013, the average daily measured weight of freight vehicles was 22.05 tonnes, up by 1.8% on the previous year.

In this quarter we have:



- not achieved our desired result
- made variable progress on our deliverables



Q4: Variable results against objectives

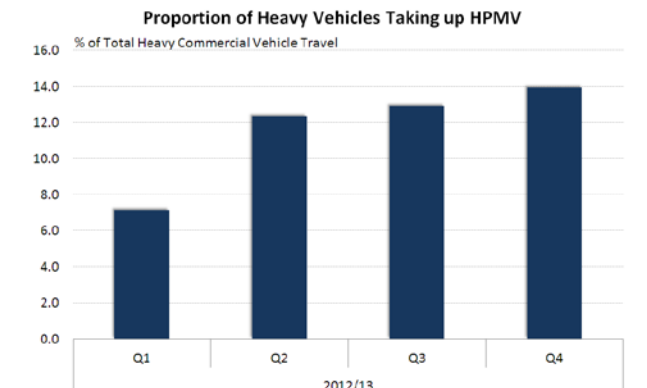
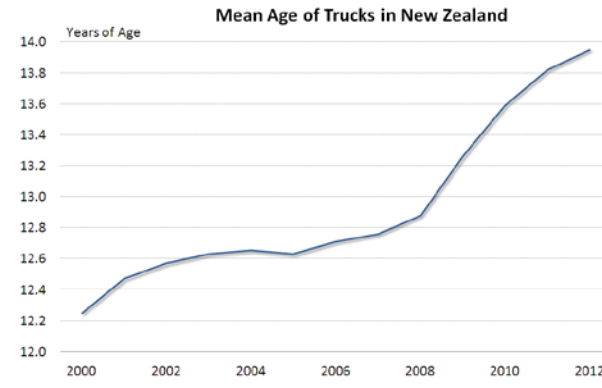
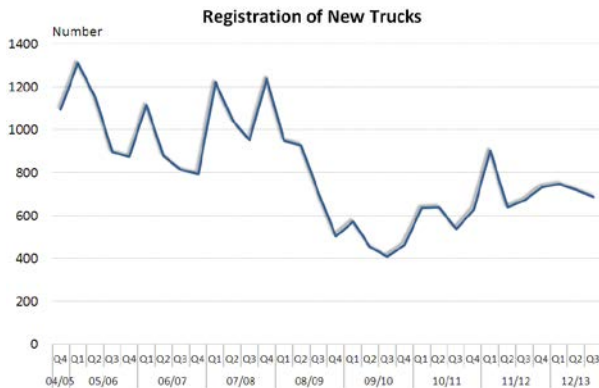
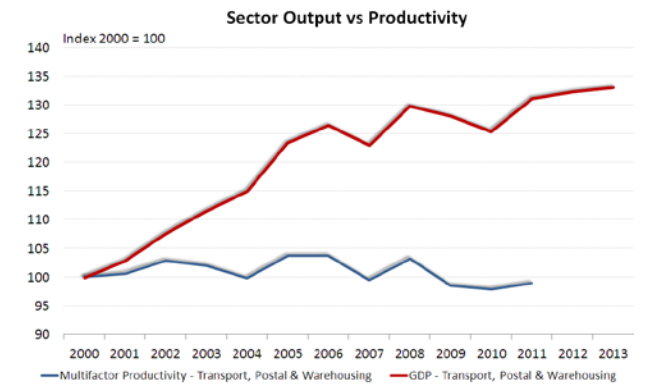
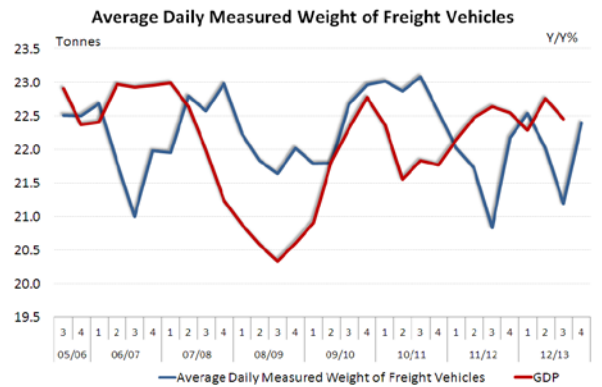
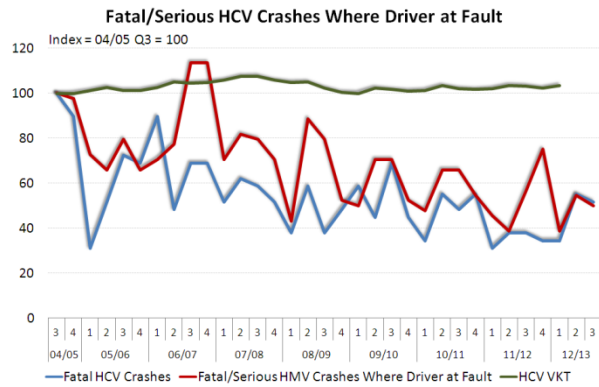
Board objectives for 2012/13	What we achieved	Result
Upper North Island Freight Plan completed	The Upper North Island Freight Story is now complete, including delivery of two key products: the 'Summary of Critical Issues' and the 'Shared Evidence Base'. However, the Upper North Island Freight Plan has not been completed as scheduled, but will be completed in the coming months.	●
High productivity motor vehicle (HPMV) route investment programme initiated	During 2012/13 the high productivity motor vehicle (HPMV) national network was identified for investigation and upgrade investment. This national network is made up of the high volume freight routes on state highway and local road networks. Substantial progress has been made on the bridge assessment process for this 4500km of HPMV network, which will be available for full HPMVs (up to 62 tonnes). The upper North Island has been identified as a priority area for these bridge assessments and has been largely completed. Work has also begun on bridge assessments in the lower North Island and South Island.	●
Progress network planning collaboration with KiwiRail	During 2012/13 there has been significant progress in advancing the concept of more collaborative long-term planning across the state highway and rail networks. There was high level agreement at a leadership level for this concept to be progressed. The idea is to move beyond the current day to day information sharing and collaboration, to develop a more collaborative long-term vision for the highway and rail networks as they serve regional public transport services and, more specifically, freight. This concept was further developed during the Upper North Island Freight Story process and the basic concept of developing an integrated approach was presented to Infrastructure Ministers in June.	●

Key result area 3 | Freight

Objectives for 2012/13	What we achieved	Result
<p>Develop a freight sector summary that reflects the sector's view of multi-modal and regulatory system requirements for the future (30 years)</p>	<p>Three collaborative freight planning processes have been underway during 2012/13 in the Upper North Island, Central NZ and the South Island. Dozens of workshops have been held, involving hundreds of stakeholders, from across industry, local government, ports, airports and freight transport operators. The Upper North Island Freight Story was released in March, by the Upper North Island Strategic Alliance, which included both an agreed set of critical issues and a shared evidence base. Work has begun to turn this into a work programme and bring in the private sector. Central NZ and South Island discussion documents were released in the first half of 2012/13 and work is now underway on a summary of the feedback received.</p>	
<p>Develop and implement a simple consolidated HPMV permitting system</p>	<p>This objective has not been achieved in 2012/13, but actions have been taken to streamline the existing process.</p> <p>Lead time performance from the customer perspective has improved by 25%. The new 50 max process is in design phase which will continue into quarter one of 2013/14, and will also contribute toward the consolidated permitting process design.</p> <p>The process will rely upon alignment with local authorities. Any expectations around rollout date need to treat this alignment as critical to success.</p>	

Q4 Observations:

- The slight increase in the average weight of freight vehicles measured at the Transport Agency's 6 weigh-in-motion sites reflects improving domestic economic conditions.
- The combination of increasing levels of economic activity, a still strong NZ\$ and greater certainty provided by the successful implementation of a new RUC system has supported increased investment in commercial vehicles (including HPMVs, which now contribute an increasing proportion of total heavy commercial vehicle travel). These factors have led to an increase in the number of registrations of new trucks (although there has been a slight decline in recent quarters) and a slowdown in the rate at which the heavy fleet ages.



Feature

Moving to the MAX

A freight management opportunity



We're introducing an exciting new opportunity to our country's freight industry as a part of our key goal to create transport solutions for a thriving New Zealand.

It's called 50MAX HPMV and is designed to further unlock freight productivity and drive economic growth, not just for the freight industry, but for customers, local communities and the country.

50MAX High Productivity Motor Vehicles (50MAX HPMVs) are longer than standard 44 tonne vehicles and have an additional axle (nine in total) so they can carry a bigger payload and operate at 50 tonnes maximum total weight, with a 5 tonne improvement in productivity per trip (with the other tonne being the extra axle).

The design means they track on the road the same as other longer trucks, have far fewer bridge restrictions than full HPMVs and their impact on pavements is the same as a standard 44 tonne truck.

The concept has been welcomed by the freight industry which should find the network access benefits attractive.

The 50MAX design also gives operators greater access across the network than full HPMVs, which are limited to routes with stronger pavements and bridges. 50MAX HPMVs won't require upgrades of road assets or additional maintenance costs for highways or local council roads, although we will be carefully monitoring any affects.

There'll be a simplified permit process for local authorities to issue permits for access to all state highways and local roads, excluding a small number of bridges.

The cost to truck operators of new or converted trucks is modest relative to the potential payload, and the savings should offset the cost of vehicle modifications. Over time competition among transport operators will transfer benefits to the community that produces the goods.

More information is available on the Transport Agency's website (www.nzta.govt.nz/vehicle/your/hpmv/50max-hpmv.html).

KEY RESULT AREA 4: ROADS OF NATIONAL SIGNIFICANCE

Our aim is to deliver the six remaining projects on time and at or below budget

In this quarter we have:

- made good progress on all the individual corridor projects

Q4: Good progress across the whole programme

Project	Milestone 2012/13	What we achieved	Result
Puhoi to Wellsford	Refer to key result area 7 - Growing Auckland		
Western Ring Route	Refer to key result area 7 - Growing Auckland		
Waikato Expressway	Construction continues on Te Rapa and Ngaruawahia sections	<p>In quarter four, three public information days were held on the Hamilton section, with good public response received.</p> <p>Enabling work will start on the Cambridge section in September 2013. This involves preparing the section ahead of full construction in early 2014. Surveying and geotechnical testing has begun along the length of the project.</p> <p>Construction on Ngaruawahia section continues to the updated schedule, with completion due in the second quarter of 2013/14.</p>	●
Tauranga Eastern Link	Construction continues	<p>Good progress has been made in quarter four and the programme is on track to deliver all major milestones. A couple of minor targets have slipped, but will be complete within the first quarter of 2013/14.</p> <p>Ground improvements and earthworks have progressed as expected and we are halfway through completion of the structures programme.</p>	●
Wellington Northern Corridor	Commence national consenting process - Wellington Inner City Improvements	<p>Progress continues well across all sections of the Wellington Northern Corridor.</p> <p>Following the results of the appeal of the MacKays to Peka Peka section, construction is planned to start in the first quarter of 2013/14. Currently, there are various early works being carried out along the section</p> <p>The procurement process for the design and construction of Transmission Gully is continuing well. A Request for Proposal document was issued to the two shortlisted consortiums in May.</p>	●
	Buckle Street	<p>Construction on the underpass is continuing well. The temporary road diversion around the site is performing well and as expected.</p> <p>Resource consent applications have been lodged to build the bridge connecting Buckle Street to the Mt Victoria tunnel.</p>	●
Christchurch Motorways	Refer to key result area 6 - Rebuilding Christchurch		

Feature

Mt Cook School hosts launch of Memorial Park booklet



Ben and Stella help Mr Finlayson cut the cake to launch the Memorial Park and Underpass booklet

School children run the show at the launch of a booklet made especially for them.



Ben Shea, 11, and Stella Morris-Matchitt, 12, exuded confidence in their role as MCs, and joined Culture and Heritage Minister Chris Finlayson to cut the cake and officially launch *Right beside our school* - a booklet about the National War Memorial Park and Underpass Project.

The gathering of students, teachers, parents and Memorial Park Alliance staff in the school hall on Friday 28 June celebrated the booklet, which has been created and published by the Alliance for classroom use and for the children to take home to their families. Everyone sampled a slice of the cake which was decorated to look like an open book with park imagery inset in the icing.

Mr Finlayson talked about the impact on our lives of the wars New Zealand has been involved in, particularly the First World War. National War Memorial Park will be ready in time to serve as the centrepiece for the centenary commemorations of the Gallipoli landings in April 2015.




Right beside our school is an overview of the park and underpass project and its historical and national significance. The booklet shows how the students are being involved in the project and aims to inspire them to become the engineers, designers, crane drivers, historians and archaeologists of the future.

To read an online version of the booklet, visit the National War Memorial Park project: <http://www.nzta.govt.nz/projects/buckle-st-underpass/index.htm>

KEY RESULT AREA 5: PUBLIC TRANSPORT

Our aim is to improve the effectiveness of public transport


In this quarter we have:

-  not achieved our desired value for money result
-  achieved some good patronage growth
-  made variable progress on our deliverables.


Q4: We have not achieved our desired value for money target, due to the high level of rail investment

Key result indicator	Target	Q1 2012/13 result	Q2 2012/13 result	Q3 2012/13 result	Q4 2012/13 result	2012/13 Result
Public transport boardings per NLTF \$ invested on public transport services <small>(This measure is reported a quarter in arrears; based on rolling twelve months data) Refer to explanation on page 27.</small>	>0.67	0.55	0.54	0.55	0.55	 0.546





Q4: Patronage exceeded the annual target, and is slightly up on last year


Key result indicator	Annual Target	Q4 2011/12 result	Q1 2012/13 result	Q2 2012/13 result	Q3 2012/13 result	2012/13 Result
Number of passengers using urban public transport services (bus, train and ferry) <small>(This measure is reported a quarter in arrears)</small>	>128 million	33 million	35 million	31 million	32 million	 131 million

Q4: Good results against objectives

Objective for 2012/13	What we achieved	Result
Develop nationally consistent customer satisfaction survey to collect information about customer experience and service delivery	The NZ Transport Agency has a national customer satisfaction survey that is being implemented in regions, in line with their planned surveying programme. This is in the process of being formalised through a General Circular.	

Key result area 5 | Public transport

Objectives for 2012/13	What we achieved	Result
<p>Implement the new public transport operating model – emphasising commercial goals and public private partnerships to ensure a stronger focus on improved service performance</p>	<p>The new Public Transport Operating Model (PTOM) was partially implemented before the end of June, as per our milestone target. This objective will be delivered slightly late due to legislation delays.</p> <p>NZ Transport Agency operational policy will be finalised by September - based on a successful consultation with the sector.</p> <p>Now that the Land Transport Management Act amendments have been enacted, we are revising the Guidelines for Regional Public Transport Plans (RPTPs) - essential for the up front planning of the public transport networks that will be contracted in the PTOM environment.</p> <p>Auckland Transport (AT) has a well advanced PTOM implementation plan and Greater Wellington Regional Council (GWRC) is starting more detailed planning. The Transport Agency is working with other regions to implement the necessary parts of the PTOM model for each region - depending on the size of the network.</p> <p>The relationship with Otago Regional Council has improved and they are working with Transport Agency staff on reviewing the Dunedin public transport network and developing their PTOM implementation approach.</p>	<p></p>
<p>Complete implementation of integrated ticketing in Auckland, improving customer experience and driving service efficiencies</p>	<p>Implementation of integrated ticketing in Auckland has been partially delivered before the end of June, as per our milestone target.</p> <p>The Auckland Transport (AT) implementation continues, with full roll out on buses to be operational by December 2013.</p> <p>AT is now gearing up internally for ongoing growth and improvement in the effectiveness of Auckland public transport, with integrated ticketing as one of the foundations.</p>	<p></p>
<p>Improve the public positioning of the Government's role in planning and funding of public transport services</p>	<p>The Government's role as a substantial co-investor in public transport services remains largely invisible, which in turn affects its reputation and ability to influence. Steps are being taken to ensure our profile is being raised.</p> <p>However, we haven't made as much progress as we would have liked during 2012/13.</p> <p>The new Auckland Electric Multiple Units will have agreed suitable branding on them. There is strong buy-in in Auckland for ensuring a Government presence in public transport-related investment and planning announcements.</p> <p>We have recently published a set of multi-purpose public transport fact sheets that can be used for different audiences. Copies of these sheets are being included in the conference bags at the July Bus and Coach Association conference.</p>	<p></p> <p></p>

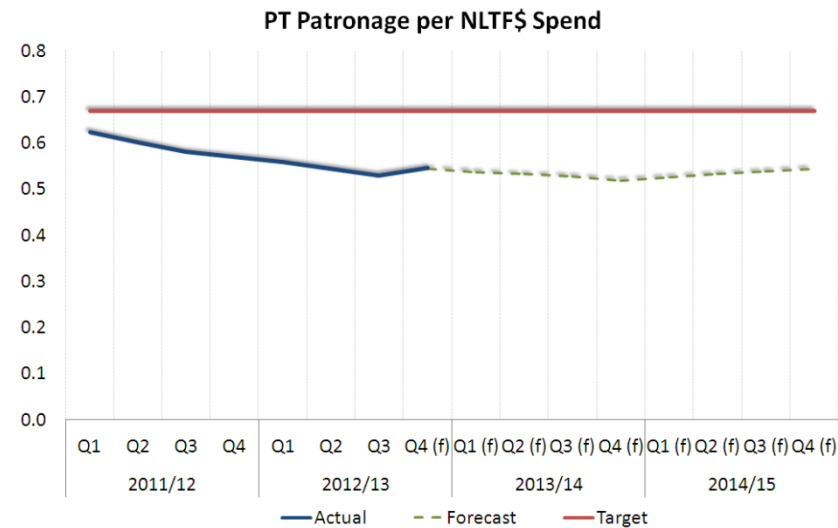
Objective for 2012/13	What we achieved	Result
Auckland, Wellington and Christchurch are developing effective public transport networks	<p>Public transport is now front and centre of network planning in Auckland, Wellington and Christchurch.</p> <p>The combination of new requirements for RPTPs, investment in metro rail improvements in Auckland and Wellington, PTOM contracting, and development of effective integrated ticketing and real time information systems will deliver significantly more effective PT services.</p> <p>The challenge is that these changes take place over several years and the benefits similarly become apparent over several years.</p> <p>Following enactment of the LTMA amendments the Transport Agency is working closely with regions to clarify timing and sequencing of new RPTPs and PTOM contracting.</p>	

Quarterly summary of public transport outcomes:

This “PT Patronage per NLTF\$ Spend” is estimated using a four quarter moving average for both patronage and expenditure, where the latest quarterly forecast of both is added to the previous three quarters’ actual returns.

The slight improvement in the trend in June 2013 quarter reflects improving rail patronage levels which have offset the impact of increases in track access charges (required to improve service quality and reliability).

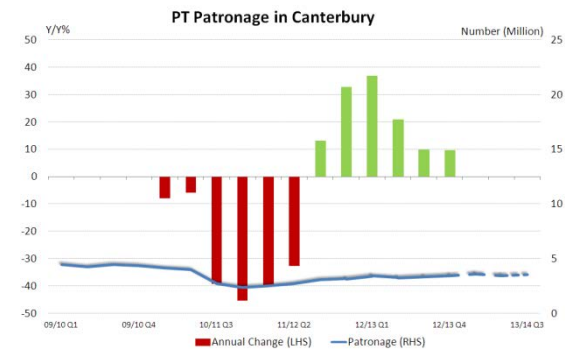
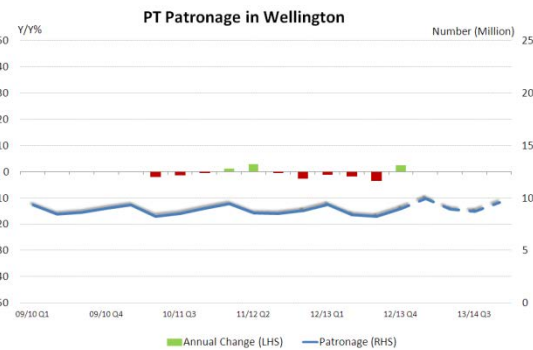
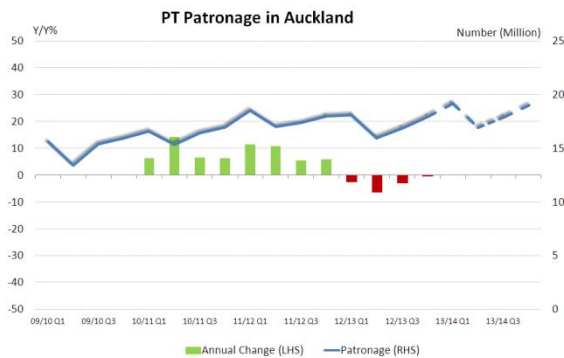
Looking forward, this increase in investment is expected to result in greater usage, leading to a rise in fare revenue, which should, over time, offset the extra initial cost outlay incurred since the beginning of the 2012-15 NLTP.



Public transport patronage trends (with annual percentage change) for the three largest regions (Auckland, Wellington and Canterbury)

Public transport outcome measures shown in the following charts are provided up to the June 2013 quarter. The data was obtained from the Transport Agency's Transport Information Online (TIO). Key points include:





- Patronage on public transport in Auckland continues to track lower than last year with a marginal 0.2% fall recorded for the June 2013 quarter. However, improvements were seen across the board with rail and ferry patronage posting positive growth of 3.2% and 0.1% respectively. Bus patronage fell by 0.9%, a significant improvement on the 3.7% reduction experienced in the previous quarter. The improving trend in patronage in the region reflects a better performance from the regional economy and the impact of flat energy prices.
- Patronage on public transport in Wellington has reversed its declining trend growing by 2.4% in the June 2013 quarter when compared the corresponding quarter in the previous year. Bus patronage, which had contracted for four consecutive quarters, grew by 1.1%, while rail boardings rose 5.4% during the quarter. Capacity and service improvements will have encouraged more people to use rail in the capital. By contrast, patronage on ferry services slipped slightly by 0.5% during the quarter.
- Patronage in Canterbury grew for a sixth consecutive quarter, rising by 9.8% in the June 2013 quarter compared to the same quarter in 2012. Improvements were seen across the board, with bus patronage rising by 9.7% and boardings on ferry services rising by 21.4%/. The completion of a re-configured public transport network better able to cater for passenger movements displaced by the earthquakes is likely to have been the key contributing factor to growth. Although further increases in patronage are expected, the pace of growth should slow as things return to normal.





KEY RESULT AREA 6: CANTERBURY RECOVERY

Our aim is to make a highly effective contribution to the reconstruction of the city

Q4: Good results against all objectives

Objectives for 2012/13	What we achieved	Result
Christchurch roads of national significance <ul style="list-style-type: none"> Christchurch Southern Motorway 	<p>The first stage of the Christchurch Southern Motorway is now complete, being delivered ahead of schedule and on budget. The second stage of the project has started and is progressing as expected.</p>	
<ul style="list-style-type: none"> Western Corridor 	<p>Construction is now complete on the Pyne Gould to Avonhead section and the road is open to traffic.</p> <p>Construction commenced on the Sawyers Arms to Harewood Road section in January and is progressing well.</p> <p>Western Belfast Bypass consents are currently delayed, but design is continuing well. At this point in time, this should not impact on programmed construction.</p>	
Take part and fully support the various rebuilding planning processes	<p>Agency staff have worked closely with the Greater Christchurch Urban Development Strategy (UDS) partners and the Canterbury Earthquake Recovery Authority (CERA) to develop:</p> <ul style="list-style-type: none"> the Greater Christchurch Transport Statement (GCTS) (NZ Transport Agency led) the Accessible City (transport) chapter of the Central City Recovery Plan which is awaiting Ministerial approval (CERA led) the Land Use Recovery Plan requested by the Canterbury Earthquake Recovery Minister (Ecan led). NZ Transport Agency led the development of the infrastructure integration chapter the Lyttelton access study and the freight strategic network study that are GCTS priorities (NZ Transport Agency led). 	
Continue to provide all our other services to underpin the region's full recovery	All services to the wider region continue to be delivered. The change to co-management of Planning and Investment's (P&I's) engagement across the whole southern region (Christchurch and Dunedin offices) is working well.	

Key result area 6 | Supporting Canterbury's recovery

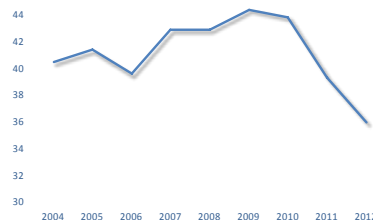
Objectives for 2012/13 (continued)	What we achieved	Result
<p>Invest in the rebuilding of the city - the full cost to the NZ Transport Agency of repairing damage is in the range of \$845-1,015 million over five or more years</p>	<p>The Agency has been very actively involved in all levels of the infrastructure rebuild governance and management.</p> <p>We have led the development and implementation of the audit and monitoring framework and have been advocating for strengthening the governance and management frameworks to improve delegated decision making across all the client organisations.</p> <p>A review and more detailed analysis of the costs for repair of the horizontal infrastructure has resulted in a reduction in the potential range for roading infrastructure to \$650-900million.</p>	
<p>Improving the effectiveness of public transport in Christchurch</p>	<p>Crown agreement with Christchurch City Council (CCC) has positioned CERA to lead public transport improvements in, and associated with, the central city recovery plan. The NZ Transport Agency has joined the Governance and project groups for these projects with CERA, CCC and Environment Canterbury (Ecan) to ensure our long term public transport objectives are met.</p> <p>We are also working closely with Ecan as it reviews its public transport operational performance which has shown incremental performance improvement throughout the year.</p> <p>Patronage in Canterbury grew for its fifth consecutive quarter, rising 13.2% in the March 2013 quarter compared to the same quarter in 2012.</p>	

KEY RESULT AREA 7: GROWING AUCKLAND

Our aim is to support the growth of Auckland as a highly liveable and successful city

Highlight:



Number of seconds delay per kilometre during AM peak - Auckland



Q4: All objectives have been achieved

Objectives for 2012/13	What we achieved	Result
Puhoi to Wellsford <ul style="list-style-type: none"> Scheme assessment 	<p>Development and consenting continues to progress well. Following extensive community feedback and further discussions with Auckland Council and Auckland Transport, a northbound off-ramp and southbound on-ramp at Puhoi will be included in designs submitted with the Notice of Requirement (NOR) and resource consent applications for the Puhoi to Warkworth section.</p> <p>Local contractor Wharehine Group started work on the SH1/Hudson Road intersection in quarter four. They are on track and will finish the improvements before Christmas.</p>	●
Western Ring Route <ul style="list-style-type: none"> Construction continues on Waterview connection Tender for SH16 causeway works 	<p>This project continues to progress on schedule.</p> <p>SH20 Tunnels: Bulk excavation of the southern approach trench to the SH20 tunnel is completed and the precast factory building is also completed. The tunnel boring machine has arrived in New Zealand.</p> <p>SH16 Causeway: The project has started to mobilise to site. The design is at the 60% stage across all packages and is progressing well toward a target of completion and demobilisation of the Hopetoun Street office in August.</p>	●
Improving the effectiveness of public transport in Auckland	<p>We have worked closely with Auckland Transport (AT) as they prepare to implement the Public Transport Operating Model in Auckland in 2013.</p> <p>The Auckland Regional Public Transport Plan (RPTP) is set to be approved by the AT Board now that the supporting legislation has been enacted by Government.</p> <p>To address recent concerns over patronage levels, the AT board have undertaken a number of initiatives in a systematic manner, seeking to take a customer centric approach.</p> <p>AT has begun consultation over its proposal for the Southern Sector Public Transport Network. Infrastructure improvements delivered this year include the Hobson Ferry Terminal, a pedestrian concourse at Mt Albert Rail Station, and the new electric trains' maintenance facility at Wiri.</p> <p>Integrated ticketing for rail and ferry was rolled out in late 2012, and the staged rollout of integrated ticketing for buses has started, with completion due by end of 2013.</p>	●


Key result area 7 | Supporting Auckland's growth


Objectives for 2012/13	What we achieved	Result
Improving the efficiency of freight supply chains in Auckland	<p>The Upper North Island Freight Story (UNIFS) has been shared with Approved Organisations (AOs) and stakeholders.</p> <p>HPMV - has progressed developing the programme for state highways and local roads in collaboration with AOs.</p> <p>50 Max - the load/axle ratio determination for freight vehicles and subsequent programme of permitting has been canvassed with stakeholders and is receiving growing support.</p>	
Actively contribute to Auckland's discussions about revenue, demand management and pricing tools for transport in Auckland (with Auckland Council in the lead)	<p>The Consensus Building Group, formed by the Auckland Council, to consider alternative revenue sources for transport in Auckland delivered its report to the Mayor of Auckland in early July. The report was then made public. While the NZ Transport Agency has not participated in the process we have provided advice and information that the Transport Agency holds to assist the Group (e.g. programming of projects and cost estimates). The CBG Report makes recommendations on the road pricing alternatives that should be investigated further. Together with the Prime Minister's announcement on the transport priorities for Auckland on 28 June, the scene is set to advance the consideration of revenue and demand management options in the period 2013-15. The Agency should plan to be involved in this work.</p>	

KEY RESULT AREA 8: VALUE FOR MONEY

Our aim is to deliver value for money in all that we invest and do

In this quarter we have:


 achieved variable results against our targets

 achieved good results against all deliverables

Q4: Results against financial targets

Key financial management VFM indicators	2012/13 target	Year-end result
Operating expenditure (excludes transfers to third party for research, and road safety advertising)	\$237.6m	\$238.9m
Operating expenditure as above as % of total expenditure	7.2%	7.5%
Cost of administrative and support functions as % of total operating running costs	≤ 4.66%	To be confirmed in our 2012/13 Annual Report




Q4: Good results against all objectives

Objective for 2012/13	What we achieved	Result
Collaborate with other public sector agencies where we can help improve cross-agency performance, including examining opportunities for shared services	<p>Shared Services</p> <p>The scope and mandate for Communications and Human Resources has been agreed and both teams are now working on the detailed implementation plans. Ministerials and Risk and Assurance have nearly completed their implementation plans. The Risk and Assurance implementation plan will be reviewed by the CEs in their July meeting, and Ministerials in August.</p> <p>All-of-Government (AoG)</p> <p>The AoG ICT strategy and plan is now final and has highlighted the transport sector as a potential opportunity for an ICT cluster. This opportunity will need to be led through a robust transport sector ISSP with central leadership. The sector ICT team is starting to scope an ICT sector leadership role. The NZ Transport Agency is also signing up to AoG procurement initiatives and is actively involved in the AoG property initiative.</p> <p>Collaboration across the public sector continues with a core group of workforce planning specialists from a range of agencies. Special interest groups are held every two months enabling them to share their experiences and information in relation to workforce planning. Recently the Transport Agency organised a well respected and regarded external consultant (with Customs and SSC providing facilities) to facilitate cross-sector up-skilling sessions, which involved several different workshops for different audiences over the course of the week.</p> <p>The State Services Commission has started conversations with us on our leadership development work and we are actively sharing information with SSC as they look to develop learning case studies for the wider sector.</p>	




Q4: Three service delivery targets achieved; two near misses

Key service delivery VFM indicators	2012/13 target	Year-end result
Total cost of managing the funding allocation system, as % of NLTP expenditure	≤1%	1.03%
Unit transaction cost for licensing and regulatory compliance	<\$37.54	\$36.45
Unit transaction costs for motor vehicle registrations	<\$5.99	\$5.50
Cost of state highway renewals (excluding emergency works) per network land km	<\$9,687	\$7,496
Cost of maintaining and operating the state highway network (excluding emergency works) per network lane km	<\$11,971	\$12,245

Explanations will be provided in our 2012/13 Annual Report.

Objectives for 2012/13	What we achieved	Result
Develop and commence implementation of a five-year Access and Use business transformation programme	<p>A final draft of the Five Year Business Strategy has been completed and will traverse final feedback and peer review steps in July. The focus areas of the strategy are:</p> <ul style="list-style-type: none"> highly engaged staff customers at the heart of our business smarter regulation smarter business processes exceptional stakeholder relationships <p>Work has started on key deliverables within these focus areas, in particular by including within existing projects.</p>	
Develop and embed a continuous improvement culture through implementation of Performance Improvement Framework (PIF) recommendations	<p>The following issues raised in PIF are yet to be addressed and these are generally captured in the 2013/14 plan:</p> <ol style="list-style-type: none"> Funds management and forecasting – the finance advisory team needs to carry out a check against the PIF findings to ensure everything the PIF review suggested has been covered off Network utility and efficacy, and revisit performance reporting – a lot of this will be delivered through the development of the SHAMP, Better Business Case process, 2015/18 GPS all occurring this year Feedback loops and post-implementation have not been as prevalent as hoped – big focus on these last year, although questionable as to whether we have yet hit the mark, e.g. sharing the outcome of post implementation reviews with agencies such as Treasury. 	
Deliver transport planning and project development business improvements	<p>We have put in place the capability (systems, tools and training) to support effective transition to a business case approach to transport planning and project development. This will be a gradual process of implementation over the next two years. The changes are already starting to shape how we work at project, programme and whole of SHAMP / NLTP levels. They are starting to deliver efficiency of process benefits and also leading to wider benefits such as increases in political confidence, capability, stakeholder and customer satisfaction, integrated planning and network optimisation.</p>	

Key result area 8 | Value for money

Objectives for 2012/13	What we achieved	Result
Implement recommendations from maintenance and operations review	<p>The Maintenance and Operations Review and Road Maintenance Taskforce were combined into one delivery team in quarter one and renamed as the Roothing Efficiency Group (REG). Conversations with local authorities began to gain more traction as implementation of proposals for the state highway network continued and the potential for further efficiency gains became more apparent.</p> <p>Discussions on collaboration with Territorial Local Authorities have been developing throughout the regional offices as levels of understanding have matured. While contract boundaries have been finalised, there is an appreciation that as further collaboration opportunities are recognised some adjustments may be needed.</p> <p>Development of the new Operations and Maintenance Outcome Contract (OMC) model and documentation has been a collaborative process and extensive consultation has been undertaken both internally and with the wider supply chain. Feedback from all business units and suppliers has been constructive and while the uncertainty that accompanies change can create some angst, many are looking to the changes as positive and an opportunity for real improvement.</p> <p>With the progression of the organisational design work, significant effort has been made to ensure people have had the opportunity to be heard and provide input. Non highways staff have also been involved in regional sessions held to hear about the objectives behind the proposal and invited to make comment.</p>	
Implement recommendations from the maintenance and operations task force	<p>A draft One Network Road Classification has been jointly prepared with local government representatives and is being consulted on in nine locations.</p> <p>The Asset Management Best Practice group is preparing best practice examples (including model plans for metro, provincial and rural Approved Organisations) of activity/asset management including technical performance standards.</p> <p>In the collaboration and clustering space, there are various stages of engagement throughout the country, but discussions have been progressing in all regions. A number of early adopters have progressed business cases. Discussions are sustainable and positive and it is anticipated that a number of business cases will be progressed in the next twelve months.</p>	
Partner with MoT to reform the vehicle and operator licensing regulatory framework	<p>Cabinet sign off of new vehicle licensing reform policy was achieved in January 2013. No Bill was required to advance the decisions made. Implementation activity was initiated and all major milestones have been achieved, including Cabinet decisions on the approach to funding WoF and CoF changes, joint Transport Agency/NZ Police design of an education and mitigation package to support WoF changes, and consultation on required changes to rules.</p> <p>Heading into 2013/14, the WoF and CoF workstreams are tracking well to implementation. The TSL and AVL workstreams are slightly behind schedule due to recent high staff turnover within the project team. This is being closely monitored and additional policy capability is being identified should boosted resource be required to achieve September deliverables.</p>	

Feature

OMC is go in Marlborough



A new Outcome Maintenance Contract is now operating across Marlborough's entire road network.

Marlborough's roads now operate under the new Outcome Maintenance Contract (OMC) thanks to the dedicated efforts of a combined regional and national team working alongside our contractors.

As the Maintenance and Operations (M&O) Review developed, the Marlborough NZ Transport Agency office decided to use it as an opportunity to work collaboratively and land the new OMC in the region.

In December last year, Marlborough Roads, HEB and Opus signed a 'Heads of Agreement' document which provided the framework to convert the existing contracts.

Wayne Oldfield (Maintenance Contract Manager, Marlborough) and the National Office procurement team then worked together to write the Marlborough version of the OMC and manage contract conversion negotiations and, following a great teamed-up effort, the new contract came into place, as planned, on 1 July.

Under the new OMC, HEB and Opus have signed a joint venture and will deliver the OMC across both the Marlborough District and Marlborough state highway network.

This process is all about outcomes, and the desired outcomes for the Marlborough conversion process are to achieve savings of around 5% (or around \$600,000 per annum), have no reduction in the levels of service, and to prove that the OMC is viable for use in a 'one network' environment.

Frank Porter, Marlborough Roads Manager says that since the contract has started a collaborative environment has been established which can only result in a better customer service. "It's early days yet, but we have high expectations of a highly efficient delivery effort by a motivated contractor."



FINANCIAL PERFORMANCE

National Land Transport Fund (NLTF)

In this quarter:

- RUC and FED revenue is lower than forecast (8% and 7% respectively), offset by MVR revenue remaining higher than budget (3%).
- The most significant outflow, the distributions to the National Land Transport Programme, is \$95m lower than forecast. This is mainly driven by reduced expenditure on Planning & investment in land transport.
- The result of the above is a current net surplus of \$24m (\$24m lower than expected).

National Land Transport Fund - Statement of comprehensive income for the twelve months ended 30 June 2013

	Year end				Prior Year
	Actual	Budget	Variance	%	2011/12
	\$000	\$000	\$000	%	\$000
Income inflows					
Land transport revenue - FED	1,509,856	1,616,576	(106,720)	(7%)	1,464,440
Land transport revenue - RUC and other revenue	1,234,910	1,280,393	(45,483)	(4%)	1,227,192
Government contribution to land transport revenue	2,883	0	2,883	100%	1,386
Management of Crown land and interest	88,178	71,227	16,951	24%	47,658
	2,835,827	2,968,196	(132,369)	(4%)	2,740,677
Outflows					
NZ Transport Agency/NLTP	2,519,301	2,614,791	95,490	4%	2,363,604
NZ Police	286,652	299,795	13,143	4%	296,953
Search and rescue	6,353	5,609	(744)	(13%)	5,586
	2,812,306	2,920,195	107,889	4%	2,666,144
Net surplus/(deficit)	23,521	48,001	(24,480)		74,533

Q4: Forecast NLTF funding revised downwards

Objective	Q4 progress	Status
Ensure NLTF total revenue forecast is clarified for the rest of the NLTP period	Revenue performed well against plan until January, when both FED and RUC revenues began to diverge from forecast. Latest forecasts suggest that revenues will continue at a lower level due to volumes increasing less rapidly in FED and possible changes in user behaviour following the changes to RUC. Revenues are now forecast to be \$500m lower for the current NLTP period than those given in the October Budget Update. A review of the NZ Transport Agency and NLTP programmes of activity will be undertaken to ensure expenditure remains within forecast available revenue.	●

New Zealand Transport Agency (NZTA) Expenditure

In this quarter:

- Total NZTA expenditure is \$153m (5%) under budget.
- NZTA operating expenditure is \$5.6m (2%) under budget.

The operating expenditure variance is mainly explained by:

- IT expenditure is below budget by \$6.3m:
 - \$3.4m relating to the early completion of the BCP project in 2011/12
 - delays in the RUC legislative change project (\$0.7m), and tolling (\$0.8m).
 - \$0.7m timing under-spend from Geospatial and National Integrated Ticketing.
 - Software licence savings of \$0.5m are now expected to be permanent.
- Advertising costs are under budget by \$1.7m. This is attributable to the timing of work and NLTP funding will be carried forward into 2013/14 for completion of this activity.
- The above underspends are offset to some extent by volume related overspends for Commissions and Transaction costs (which are themselves offset by related increase in revenue).

Q4: Overall expenditure is 5% lower than budgeted at year-end

Total expenditure on land transport including NZTA operating expenditure for the twelve months ended 30 June 2013

	Year end			
	Actual \$'000	Budget \$'000	Variance \$'000	%
NZTA contributes to:				
Managing state highways	1,510,938	1,549,000	38,062	2%
Planning and investing in land transport	1,076,255	1,186,400	110,145	9%
Access to the land transport system	144,156	149,211	5,055	3%
Total expenditure	2,731,349	2,884,611	153,262	5%

This table shows the expenditure the Agency incurs managing the delivery of its output classes:

NZTA operating expenditure for the twelve months ended 30 June 2013

	Year end			
	Actual \$'000	Budget \$'000	Variance \$'000	%
Our expenses classified by:				
Personnel costs	109,232	108,224	(1,008)	(1%)
Operating expenses	139,155	144,322	5,167	4%
Depreciation and amortisation expense	7,819	9,280	1,461	16%
Total expenditure	256,206	261,826	5,620	2%

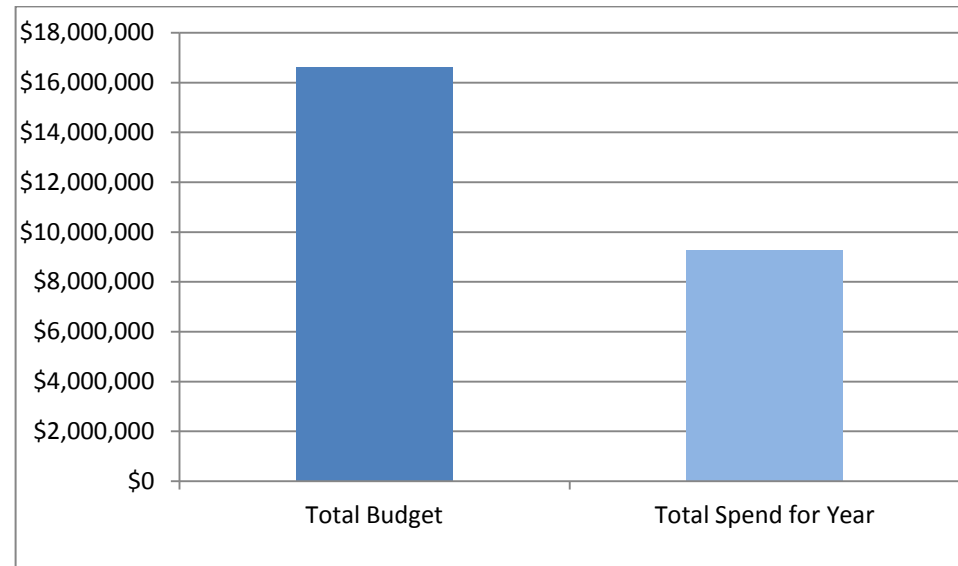
Personnel costs are \$1m above budget at year-end as a result of:

- An adverse leave balance of \$0.5m (where leave earned exceeds leave taken), and
- The higher use of temporary workers in the HNO group (+\$0.5m).

Capital Programme

- The 2012/13 spend on capital projects was \$9.3m (56%) against a total programme of \$16.6m. This is 12% below the spend forecast at the end of the third quarter.
- The larger projects in the \$9.3m spend include:
 - SAPenable - \$3.9m
 - The IS Refresh programme - keeping hardware current - \$1.8m
 - CAPTIF - pavement testing facility - \$1.0m
- Delayed projects include the Geospatial project (\$2m), the fit-out for a new Tauranga office (\$0.8m) and the second phase of the rollout of Wi-Fi in our offices (\$0.5m).
- In addition to the delays identified above, underspends in a number of other smaller projects resulted in a total carry forward of \$4.6m of funding.

This graph shows capital programme spend for the twelve months ended 30 June 2013 and budget for the year.



Access & Use

In this quarter:

The surplus of \$8.8m puts the A&U function ahead of its budget surplus of \$2.1m and reflects lower spending on planned projects and expenditure timing differences.

● Access & Use revenue is \$2m (1%) over budget.

- **Motor vehicle registration:** Revenue is \$1.5m ahead of budget as a result of higher volumes than forecast for vehicle registrations and their accompanying revenue from plates.
- **Driver licensing and testing:** Revenue is \$2.9m ahead of budget mainly driven by greater driver testing volumes for restricted (\$0.9m), full (\$0.6m) and learner (\$0.3m) tests. Volume driven driver licensing revenue is also ahead of budget due to higher numbers of license renewals and reinstatements. Overall driver licensing fee revenue has ended the year ahead of budget by \$0.6m.
- **Standards development levy and transport licensing fees:** Revenue is \$1.7m below budget. The budget was set too high based on overstated 2011/12 revenue.
- **RUC:** Revenue is \$1.5m below budget. This revenue is appropriated and based on a lower level of expenditure.
- **Vehicle certification and other memo accounts:** Revenue is \$1.3m ahead of budget primarily as a result of higher than forecast border inspection volumes and over dimension permits along with increased WoF and CoF volumes.

● Access & Use expenditure is \$4.7m (3%) under budget.

- Information technology spend is lower than budgeted by \$6.1m. This is mainly attributable to Business Continuity Project IT costs of \$3.0m being budgeted in 2012/13 but carried out in 2011/12. Planned projects such as the Tolling budgeted system development and RUC project not occurring in 2012/2013 and

under spend on tolling support and maintenance expenses also contributed to the overall under spend.

- Staff costs were under budget by \$0.66m due to lower staffing levels but more than offset by increased spending on professional services for projects (over budget by \$0.74m).
- The total expenditure under-spend is partly offset by higher commission and transaction costs (\$1.1m) primarily resulting from the higher driver testing volumes, which also delivers higher revenue.

Access to the land transport system – Income and expenditure for twelve months ended 30 June 2013

	Year end			
	Actual	Budget	Variance	%
	\$000	\$000	\$000	%
Income				
Motor vehicle registration	54,295	52,773	1,522	3%
Driver licensing & Driver testing	48,203	45,319	2,884	6%
Standard development levy & Transport licensing	12,914	14,596	(1,682)	-12%
Vehicle certification - WoF	5,464	5,268	196	4%
Vehicle certification - CoF & Other	1,987	2,278	(291)	-13%
Other	3,242	1,980	1,262	64%
Subtotal - Memo accounts	126,105	122,214	3,891	3%
RUC collection, investigation, and enforcement	17,002	18,514	(1,512)	-8%
Tolling	5,843	6,000	(157)	-3%
Other	4,312	4,555	(243)	-5%
Subtotal - Other	27,157	29,069	(1,912)	-7%
Total income	153,262	151,283	1,979	1%
Expenditure				
Staff	36,425	37,083	658	2%
Commissions	43,927	43,386	(541)	-1%
Transactions	17,081	16,566	(515)	-3%
Information Technology	13,608	19,739	6,131	31%
Advertising, PR & Media	1,274	773	(501)	-65%
Professional Services	3,738	3,002	(736)	-25%
Other	6,943	7,159	216	3%
Overhead - Accommodation costs	3,302	3,350	48	1%
Overhead - Corporate	15,208	14,890	(318)	-2%
Overhead - Regional office	2,622	2,884	262	9%
Overhead - Regional Directors	346	380	33	9%
Total expenditure	144,474	149,211	4,737	3%
Net surplus/(deficit)	8,788	2,072	6,716	

Access & Use [continued]

The net memorandum account balance is more positive than budget due to the overall under spend as detailed in the previous page.

The difference in the closing balance of the memorandum accounts compared to budget is mainly attributable to the following:

- **Driver testing:** The account balance is above budgeted levels by \$3.2m, due primarily to volumes changes as described on the previous page.
- **Standards development:** The account balance is \$1.85m better than budgeted expectations, primarily due to expenditure changes as a result of lower staff costs being allocated from the cost allocation review.
- **Motor vehicle licensing:** The current balance is \$3.0m better than budget. This is due to the Business Continuity Project being completed in the last financial year.
- **Certification review fees:** The account balance is \$2.7m below budget mainly due to personnel costs as a result of resetting the cost allocation model, and reduced spending on the VLR project.

Access to the land transport system – indicator volumes

		Year end			
		Actual	Budget	Variance	
		000	000	000	%
Driver Licensing	Reinstatements	42	32	9	28%
	Renewals	292	280	12	4%
	Replacements	100	107	-7	-6%
Driver Testing	Theory tests	131	120	10	8%
	Practical tests	177	155	21	14%
MVR	Registrations	253	214	39	18%
	Licences	6,823	6,761	62	1%
RUC	Licences	2,229	2,093	136	6%
Tolling	Trips	6,013	5,224	789	15%

Memorandum accounts

Funding Source	Revenue			Expenditure			Balance as at			
	Actual	YTD	YTD	YTD	YTD	YTD	30/06/2013			
	1 July	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Border inspection fees	736	1,794	800	994	215	210	(5)	2,316	1,267	1,049
Certification review fees	(1,925)	7,451	7,546	(95)	9,193	7,246	(1,947)	(3,667)	(949)	(2,718)
Driver licensing fees	(2,221)	30,561	29,960	601	29,820	28,112	(1,708)	(1,479)	68	(1,547)
Driver testing fees	1,214	17,643	15,359	2,284	14,648	15,264	616	4,209	1,000	3,209
Motor vehicle licensing	0	54,295	52,773	1,522	51,795	53,309	1,514	2,500	(536)	3,036
Over dimension permits	574	217	220	(3)	299	220	(79)	492	363	129
Rail licensing fees	(2,439)	1,230	960	270	1,222	1,188	(34)	(2,431)	(2,515)	84
Standard development fees	674	6,215	6,185	30	4,123	7,212	3,089	2,766	916	1,850
Transport licensing fees	(3,208)	6,699	8,411	(1,712)	7,178	7,498	320	(3,687)	(4,000)	313
Memo Account - Total	(6,595)	126,105	122,214	3,891	118,493	120,259	1,766	1,018	(4,386)	5,405

* Motor vehicle licensing (MVL) became a memorandum account in July 2012.

Planning & Investment *and* State Highways

In this quarter:

- NLTP expenditure is \$108m (4%) under budget.

Expenditure is behind schedule in New and improved infrastructure and Renewals for state highways and local roads and for Public transport, while being ahead of schedule in Maintenance and operation for state highways.

Commentary on activity classes:

- Transport planning:** Transport planning expenditure ended the year \$2.5m below the \$16m NLTP allocation. This was the consequence of a slow start into the 12/15 NLTP due to further refining of the programme to ensure good value for money.
- Sector Research:** \$1.3 million of planned expenditure did not proceed because of NZTA's termination of research projects due to complications and delays in progress. It is still planned to fully utilise the 3-year NLTP allocation.
- Road Safety Promotion:** \$4.4m under spend is largely due to:
 - \$2.8 under spend in AO expenditure
 - \$1.3m carryover of Alcohol advertising as a result of delayed production
 - \$0.4m under spend in Share the Road advertising with work delayed due to slower progress in stakeholder engagement and alignment.
- Maintenance and operation of local roads:** As anticipated almost all of the funding available for maintenance and operation has been used. Of the \$83.5m spent on Emergency works, the \$50m approved for Christchurch was fully utilised.

[continued below]

Planning & investing in land transport – Expenditure report for the twelve months ended 30 June 2013

	Year end				2012/13
	Actual	NLTP Budget	Variance		SOI Budget
	\$000	\$000	\$000	%	\$000
Management of the funding allocation system *	29,610	29,000	(610)	(2%)	29,775
Transport planning	13,485	16,000	2,515	16%	20,000
Sector research	3,191	5,000	1,809	36%	4,000
Public transport	284,950	300,000	15,050	5%	310,000
Road safety	27,592	32,000	4,408	14%	32,000
New and improved infrastructure for local roads	152,562	160,000	7,438	5%	165,000
Renewal of local roads	204,410	234,000	29,590	13%	228,000
Maintenance and operation of local roads	279,379	285,000	5,621	2%	298,000
Walking and cycling	8,449	13,000	4,551	35%	13,000
Total expenditure	1,003,628	1,074,000	70,372	7%	1,099,775

*The NLTP actual for MoFAS does not include \$771k (budget 775k) Crown funding for the Crash Analysis System

Managing state highways – Expenditure report for the twelve months ended 30 June 2013

	Year end				2012/13
	Actual	NLTP Budget	Variance		SOI Budget
	\$000	\$000	\$000	%	\$000
New and improved infrastructure for state highways	992,546	1,010,000	17,454	2%	992,216
Renewal of state highways	175,009	210,000	34,991	17%	195,000
Maintenance and operation of state highways	343,383	329,000	(14,383)	(4%)	325,865
Total expenditure	1,510,938	1,549,000	38,062	2%	1,513,081

For explanations of major variances by output class, refer to the following page.

Specific projects funded by the Crown – Expenditure report for the twelve months ended 30 June 2013

	Year end			
	Actual	Budget	Variance	
	\$000	\$000	\$000	%
Reinstatement of local roads in Canterbury	35,019	91,000	55,981	0%
SuperGold card transport concessions	22,363	21,305	(1,058)	(5%)
Administration of SuperGold card	95	95	0	0%
National war memorial park	15,000	0	(15,000)	(100%)
Construction of passing opportunities on SH2	150	0	(150)	(100%)
Total expenditure	72,627	112,400	39,773	35%

The funding of emergency reinstatement of local roads in Canterbury came from the Maintenance and Operations output class (\$50m allocated to Canterbury) before using the specific Crown funding.

Funding for the National war memorial park was established after the 2012/13 budget was finalised.

Financial performance

- **Reinstatement of local roads in Canterbury:** The claims against this activity are slightly higher than forecast at the end of the third quarter following a review of the full years rebuild design and management overheads in accordance with the Client Governance group approved methodology. Unused budget will be carried-forward to 2013/14.
- **Renewal of local roads:** Renewals was under-spent due to AOs deferring some activity to 2013/14 and some applications for funding to be moved to Maintenance and operations.
- **New and improved infrastructure for local roads:** Expenditure is slightly under budget as anticipated. The repayment of the front-loading arrangement with Auckland Transport has delivered a result slightly higher than the most recent forecast of \$150m.
- **New and improved infrastructure for state highways:** As expected we ended the year \$17m behind the NLTP budget for new and improved infrastructure for state highways. Actual financial performance in the large project programme was 97% of our baseline target. We successfully delivered a number of projects on time and on budget at year end including Newmarket Viaduct in Auckland, Caversham Highway Improvements in Dunedin and Stage One of the Christchurch Southern Motorway. Of the large projects that were programmed to be completed this year, 67% were delivered within target for cost, quality, and time. Of the block projects that were programmed to be completed this year, 28% were delivered within target for cost, quality and time.

Year end outturn for Property acquisitions is \$176m against the \$170m budget target. A high level of owner resistance through the year delayed some expected acquisitions until later in the year.

- **Renewal of state highways:** While our expenditure ended the year at \$35M under the NLTP budget, the Renewals programme was targeting a lower budget figure of \$180M. The variance in the target programme value is as a result of differing timetables between HNO business planning and adoption of the NLTP in its first year. Over the three years of the 2012-15 NLTP, our budget will be aligned with the NLTP. In terms of physical achievement, the 1,479 kilometres of pavement renewals achieved this year was 8% ahead of our target. This was achieved at a lower cost than our target programme.
- **Maintenance and operation of state highways:** While our expenditure ended the year over the NLTP budget, the Maintenance and Operations programme was targeting a higher budget figure than the NLTP. The variance in the target programme value is as a result of differing timetables between HNO business planning and adoption of the NLTP in its first year. However, over the three years of the 2012-15 NLTP, our budget will be aligned with the NLTP. Our emergency works expenditure was \$53.6M which included \$2.2M for rock fall mitigation at the Homer Tunnel.

National Land Transport Programme

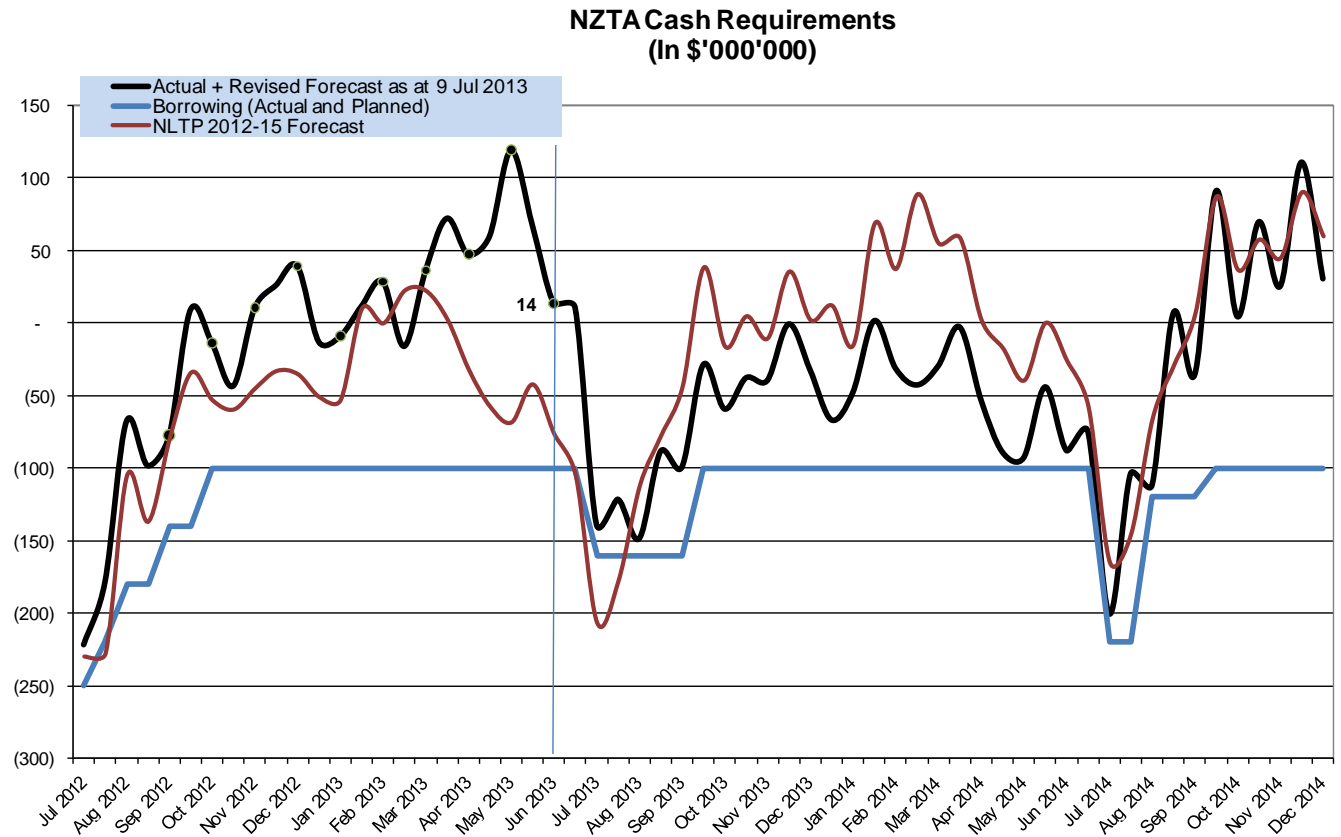
	Published	Actual/forecast spend 2012-2015			Total
	NLTP	2012/13	2013/14	2014/15	
	2012-2015	Actual	Forecast	Forecast	2012-2015
	\$000	\$000	\$000	\$000	\$000
Allocation of funds to activity classes:					
Transport planning	50,000	13,485	16,600	17,900	47,985
Road safety	97,000	27,592	35,200	32,050	94,842
Walking and cycling	53,000	8,449	20,000	20,000	48,449
Public transport	945,000	284,950	313,000	312,000	909,950
Maintenance and operation of local roads	878,000	279,379	285,000	290,000	854,379
Maintenance and operation of state highways	989,000	342,210	315,200	338,200	995,610
Renewal of local roads	738,000	204,410	247,000	247,000	698,410
Renewal of state highways	635,000	175,009	222,000	227,000	624,009
New and improved infrastructure for local roads	515,000	152,562	161,438	161,000	475,000
New and improved infrastructure for state highways	3,400,000	992,546	1,136,000	1,269,500	3,398,046
Sector research	15,000	3,191	5,600	5,000	13,791
Management of the funding allocation system	89,000	28,839	30,000	30,000	88,839
Total	8,404,000	2,512,622	2,787,038	2,949,650	8,249,310

All figures are interim, pending the rollover of state highway information in TIO and final reconciliation between TIO claims and Finance figures.

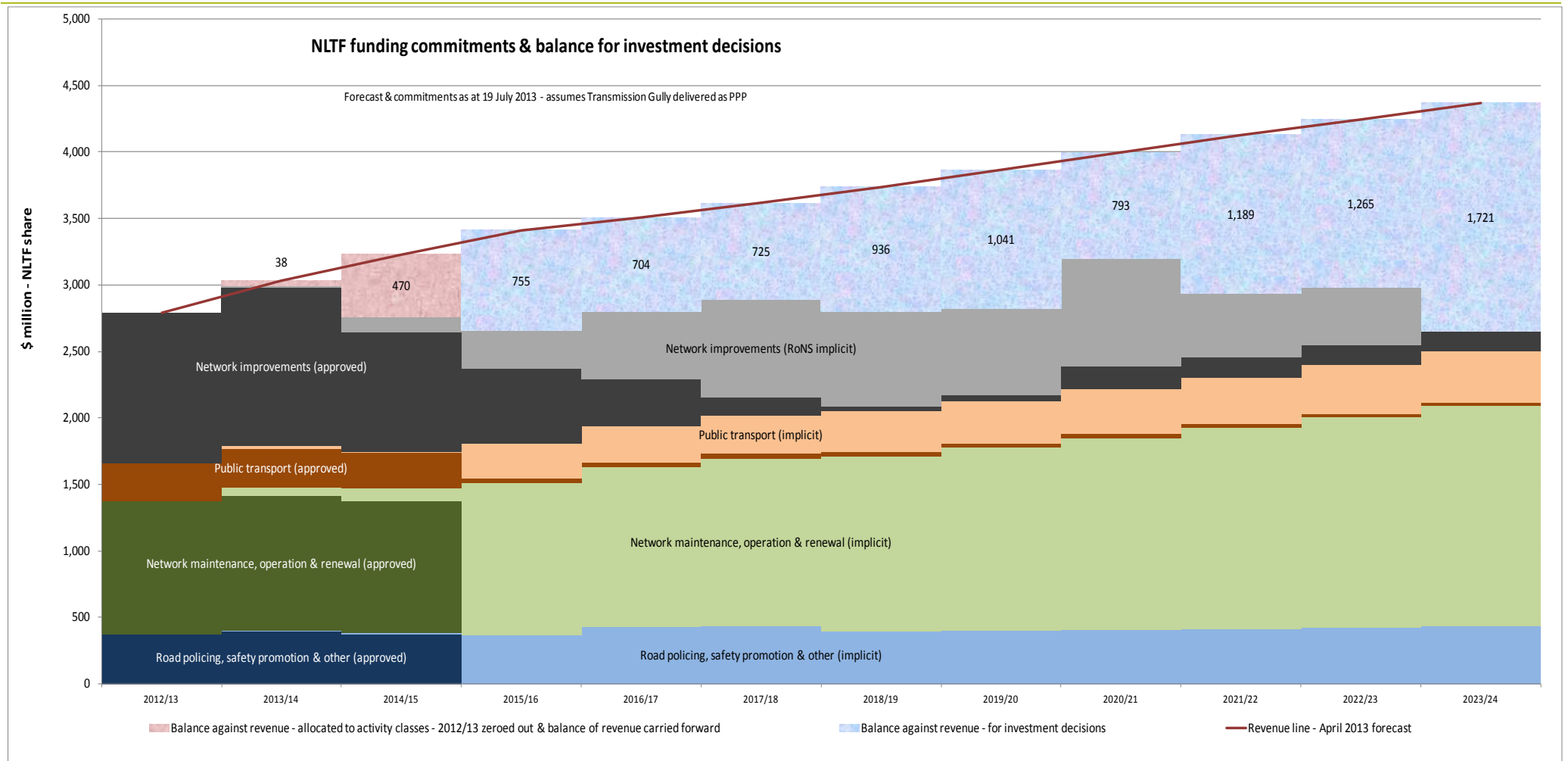
Note: At the end of 2012, Cabinet endorsed an increase of 3 cents per litre for fuel excise duty and road user charges for each of the three years starting 2013/14 to generate sufficient revenue to reinstate the RoNS programme previously agreed with government. The three year NLTP forecast was adjusted upwards from the published NLTP by about \$180 million following Cabinet's endorsement. However, revenue from January 2013 has fallen below forecast and this has required a further adjustment, this time downwards, to the forecast to about \$155 million below the published NLTP. This adjustment assumes changes to simplify and improve the flexibility of the short-term debt facilities are approved by Cabinet. If not, a further downward adjustment to the forecast of around \$150 million will be required.

Borrowing

- There has been no borrowing activity during the quarter. The level of borrowing at 30 June remains at \$100m.
- The notional cash balance in the NLTF was approx \$107m as at 30 June 2013.
- The attached graph reflects the result of the Budget Economic Forecast Update with revised revenue and expenditure inputs. The graph represent the actual expenditure for 2012/13 with the under-spend from this period reflected as occurring into the final two years of the 2012/15 National Land Transport Programme.
- The impact of this is that the peak borrowing (\$160m) reflected in the graph at 20 July 2013 is now lower than previously projected.
- The next peak in borrowing is expected to be the seasonal peak in July 2014.
- While revenue has been lower than forecast particularly in the second half of the year, this has been more than off-set by the lower cash usage throughout the year than forecast due to the slow start for expenditure programmes from both the State Highways and from the approved organisations.
- The Agency has been in a position to temporarily repay the \$100m portion of the existing facility for unexpected and unavoidable variations of cash flows. The Agency, Ministry of Transport and Treasury are continuing to prepare a business case to have the use of the existing borrowing facility amended to provide a more flexible arrangement.
- On 21 August 2012, the Minister of Transport and the Minister of Finance approved a new borrowing facility of \$100 million for the management of additional short term expenditure. For this new facility, the Treasury, Debt Management Office and the NZ Transport Agency are close to completing the loan documentation which details how the facility will work in practice. Interest rate margins are yet to be determined.



Commitments






Commitments against the NLTF – over \$20 million NLTF share from 2013/14

Organisation	Activity	NLTF commitment \$ million	Payment to:
NZTA – State highway	Western Ring Route Completion RoNS – construction and property	1,385	2020/21
NZTA – State highway	Wellington Northern Corridor RoNS – MacKays to Peka Peka – construction	590	2017/18
NZTA – State highway	Waikato Expressway RoNS – Tamahere to Cambridge – construction	170	2016/17
NZTA – State highway	Tauranga Eastern Link RoNS – construction*	96	2014/15
NZTA – State highway	Wellington Northern Corridor RoNS – Tunnel to tunnel – construction	95	2016/17
NZTA – State highway	Waikato Expressway RoNS – Rangiriri – construction	79	2016/17
NZTA – State highway	Waikato Expressway RoNS – Hamilton – property	45	2014/15
NZTA – State highway	Puhi to Wellsford RoNS – Warkworth to Wellsford – detailed design	44	2019/20
NZTA – State highway	Wellington Northern Corridor RoNS – Mt Victoria tunnel duplication – property	37	2017/18
NZTA – State highway	Waikato Expressway RoNS – Ngaruawahia – construction	35	2014/15
NZTA – State highway	Puhi to Wellsford RoNS – investigation	35	2014/15
NZTA – State highway	Wellington Northern Corridor RoNS – Transmission Gully – property	33	2015/16
NZTA – State highway	Puhi to Wellsford RoNS – property	22	2014/15
NZTA – State highway	Wellington Northern Corridor RoNS – Transmission Gully – availability payments	Average about \$130m/year	From 2020/21 to 2045/46
Auckland Transport	AMETI – Multi-modal network improvements – construction	63	2016/17
Auckland Transport	Public transport – Electric mobile units and depot – loan repayments	Average about \$22m/year	2051/52
Greater Wellington	Public transport – Matangi electric mobile units – loan repayments	Average about \$10m/year	2024/25




* Plus \$105 million of debt funding external to NLTF

CAPABILITY


In this quarter we have:

-  achieved three targeted year-end results, with one to be confirmed
-  maintained a very high level of core system availability
-  maintained a high level of staff resource capacity and stability

Q4: Achieved three targeted year-end results, with one to be confirmed

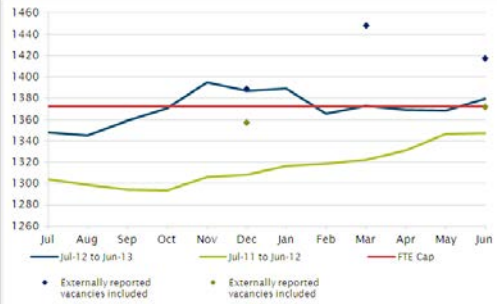
Key financial management Vfm indicators	2012/13 target	Year-end result	Year-end status
Quality of current stakeholder relationship (NZTA Stakeholder Perception Survey)	New measure	61% (increase)	
Level of staff engagement (Gallup Engagement Survey)	3.73	3.92	
Cost of administrative and support functions as a % of total operating running costs (BASS)	4.76%	To be confirmed in our 2012/13 Annual Report	
Percentage of time core systems available	100%	99.881%	

Q4: Progress against staff engagement

Objective for 2012/13	What we achieved	Result
Increase the level of staff engagement	<p>Engagement Survey Results have been released throughout the organisation and engagement conversations have begun in the business groups and teams.</p> <p>Key findings from this year's results are:</p> <ul style="list-style-type: none"> • Engaged and actively disengaged employees have moved in the right direction and our engagement ratio is now above 5:1 • Overall engagement has risen by 0.10 - a meaningful rise likely reflected in NZ Transport Agency's culture. • 'Progress', 'Mission and Purpose' and 'Encourages Development' have all have positive rises since 2012. • 'Expectations' and 'Opportunities to do what I do best' both remain areas for focus. • Greatest rises in engagement occurred in Access and Use, HNO and Strategy and Performance. • Improving teamwork/fewer silos is viewed as the most significant issue that staff would change at NZTA. 	

PEOPLE METRICS

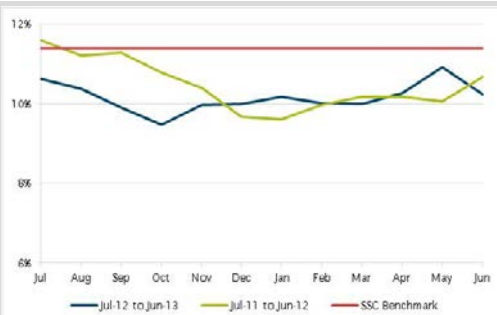
Full-time Equivalent (FTE) employees against cap



The NZ Transport Agency's FTE Cap is 1372 FTEs. Actual FTE as at 30 June 2013 was 1379.8 (up from 1347.6 as at 30 June 2012).

We are currently undertaking a number of reviews to determine whether the additional work we are undertaking can be done within the cap. Both the Minister and State Services Commission (SSC) have been informed.

Core unplanned turnover



The NZ Transport Agency's unplanned turnover as at the end of June 2013 was approximately 10.2 percent, which is lower than 12 months ago when it was 11.5 percent (as reported in the Human Resource Capability Survey).

Core unplanned turnover of those with less than two years service to the end of June 2013 is approximately 14 percent which is lower than 12 months ago.

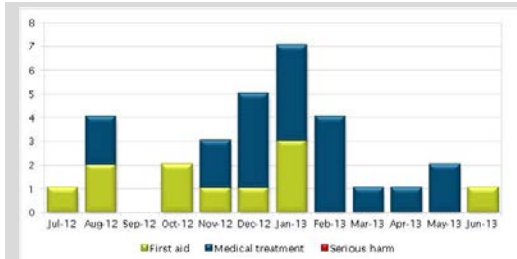
Percentage of employees with annual leave balances greater than 30 days



Twelve percent of employees (175 people) had annual leave balances over 30 days as at 30 June 2013. This is lower than in June 2012 when it was 15.2 percent, but higher than the target of 100 people (seven percent).

While, as a percentage, we are tracking lower than the previous year, typically annual leave balances tend to increase leading up to summer and the Christmas/ New Year holidays.

Health and Safety - Number of Injuries per month by severity (NZTA employees only)



There were 31 injuries in the year ended 30 June 2013 (an increase from 25 injuries in the year ended 30 June 2012). While slips, trips and falls continue to be the main causes of injury, there has been an increase in reporting of incidents involving body stressing (e.g. muscle strain).

APPENDIX:

FINANCIAL REPORTING

FINANCIAL STATEMENTS

NZ Transport Agency - Consolidated statement of comprehensive income for the twelve months ended 30 June 2013

	Year end				Prior Year
	Actual	Budget	Variance		2011/12
	\$000	\$000	\$000	%	\$000
Income					
Revenue from the Crown	71,773	137,031	(65,258)	(48%)	142,149
Revenue from the National Land Transport Fund	1,853,425	1,857,227	(3,802)	(0%)	1,769,352
Revenue from third parties	134,302	128,392	5,910	5%	84,185
	2,059,500	2,122,650	(63,150)	(3%)	1,995,686
Expenditure					
Investment in land transport	2,480,164	2,617,293	137,129	5%	2,336,792
NZTA operating activities	256,206	261,826	5,620	2%	272,014
State highway depreciation/asset write off	449,540	429,680	(19,860)	(5%)	432,530
	3,185,910	3,308,799	122,889	4%	3,041,336
Net surplus/(deficit)	(1,126,410)	(1,186,149)	59,739	(5%)	(1,045,650)
Capital expenditure	(1,185,633)	(1,187,216)	(1,583)	0%	(1,087,026)
Net surplus/(deficit) after capex	59,223	1,067	58,156		41,376

NZ Transport Agency - Consolidated statement of financial position

	As at 30 June 2013				Prior Year
	Actual	Budget	Variance		2011/12
	\$000	\$000	\$000	%	\$000
Assets					
Current assets					
Debtor National Land Transport Fund	443,468	349,145	94,323	27%	407,453
Other	189,946	110,150	79,796	72%	193,072
Non-current assets	26,139,021	28,532,401	(2,393,380)	(8%)	25,901,194
	26,772,436	28,991,696	(2,219,261)	(8%)	26,501,719
Liabilities					
Current liabilities					
Borrowing	100,000	100,000	0	0%	130,000
Other	408,435	303,761	(104,674)	(34%)	345,650
Non-current liabilities	4,653	4,745	92	2%	4,925
	513,088	408,506	(104,582)	(26%)	480,575
Net assets	26,259,349	28,583,190	(2,323,843)	(8%)	26,021,144
Equity					
General funds	5,606	25,606	(20,000)	(78%)	5,198
Retained funds	44,278	19,917	24,361	122%	47,858
Memorandum account - Third party fees	1,018	(4,385)	5,403	123%	(6,568)
State highway network	26,208,448	28,542,052	(2,333,604)	(8%)	25,974,656
Total equity	26,259,349	28,583,190	(2,323,839)	(8%)	26,021,144

*Non-current assets: An interim state highway valuation has been included, however, the revaluation is still being finalised so may change.

NZ Transport Agency – Consolidated statement of cash flows
for the twelve months ended 30 June 2013

	Year end				Prior Year
	Actual	Budget	Variance		2011/12
	\$000	\$000	\$000	%	\$000
Cash flows from operating activities					
Receipts from Crown/NLTF revenue	1,826,965	2,085,258	(258,293)	(12%)	1,908,090
Receipts from third party/interest revenue	132,769	128,392	4,377	3%	100,694
Payments to suppliers and employees	(1,481,114)	(1,721,423)	240,309	14%	(1,452,149)
	478,620	492,227	(13,607)	(3%)	556,635
Cash flows from investing activities					
Receipts from sale of state highway properties	61,739	50,000	11,739	23%	23,856
Purchase of assets	(12,825)	(9,408)	(3,417)	(36%)	(102,325)
State highway network (incl. property purchases)	(1,155,633)	(1,187,216)	31,583	3%	(1,107,026)
loan to local authority	0	0	0	0%	27,980
	(1,106,718)	(1,146,624)	39,905	3%	(1,157,515)
Cash flows from financing activities					
Capital contributions	620,512	707,972	(87,460)	(12%)	573,356
Borrowing	160,000	150,000	10,000	7%	170,000
NLTF debtor borrowing reduction/interest	(194,098)	(203,575)	9,477	(5%)	(155,326)
	586,414	654,397	(67,983)	(10%)	588,030
Net (decrease)/increase in cash	(41,684)	0	(41,685)	(100%)	(12,850)
Cash at the beginning of the period	58,265	50,000	8,265	17%	71,115
Cash at the end of the period	16,580	50,000	(33,420)	(67%)	58,265

National Land Transport Fund - Statement of financial position

	As at 30 June 2013		
	Actual \$000	Opening \$000	Movement \$000
Current assets			
Cash and cash equivalents	99,642	44,497	55,145
Debtors	195,110	190,720	4,390
	294,752	235,217	59,535
Current liabilities			
Creditors and other payables	443,468	407,454	(36,014)
	443,468	407,454	(36,014)
Net assets	(148,716)	(172,237)	23,521
General funds	(148,716)	(172,237)	23,521
General funds closing balance	(148,716)	(172,237)	23,521

General funds: The increase in general funds of \$24m represents the surplus of the Fund as at 30 June (see NLTF Statement of comprehensive income).

Although the National Land Transport Fund has a negative equity, the Fund will continue to meet all its obligations over the next 12 months.

National Land Transport Fund – Statement of cash flows
for the twelve months ended 30 June 2013

	Year end	Prior Year
	Actual	2011/12
	\$000	\$000
Cash flows from operating activities		
Receipts from land transport revenue	2,835,827	2,740,677
Payments to NZTA and NZ Police	(2,812,306)	(2,666,144)
	23,521	74,533
Net decrease/(increase) in Debtors	(4,390)	(4,720)
Net (decrease)/increase in Creditors	36,014	(25,316)
	31,624	(30,036)
Net (decrease)/increase in cash and cash equivalents	55,145	44,497
Cash and cash equivalents at the beginning of the period	44,497	0
Cash and cash equivalents at the end of the period	99,642	44,497