

**SECTION A:
2011/12
AT A GLANCE**



OUR STRATEGY

The NZTA contributes to government's overarching goal of growing the New Zealand economy to deliver greater prosperity, security and opportunities for all New Zealanders.

The government's long-term outcomes for the transport sector:

- An efficient transport system that supports the government's goal of high levels of economic productivity, provides strong international connections for freight, business and tourism, and meets international obligations.
- A sustainable funding basis for transport infrastructure investments and use.
- A high-quality transport system for Auckland, the nation's economic hub.
- An accessible and safe transport system that contributes positively to the nation's economic, social and environmental welfare.

We work to help deliver the government's long-term outcomes and immediate priorities through our strategy - the NZTA 5.

NZTA

5

1

WHY WE ARE HERE**1 PURPOSE**

Creating transport solutions for a thriving New Zealand

We help New Zealand thrive when we contribute to achieving eight long-term impacts:

- Better use of existing transport capacity.
- More efficient freight supply chains.
- A resilient and secure transport network.
- Easing of severe urban congestion.
- More efficient vehicle fleets.
- Reduction in deaths and serious injuries from road crashes.
- More transport mode choices.
- Reduction in adverse environmental effects from land transport.

2

WHO WE SERVE**2 CUSTOMER GROUPS****1. Individuals**

We help people make the best use of New Zealand's transport system – whether they are drivers, passengers, people getting their Wof, licence or registering their vehicle, or businesses that need permits or commercial operator licences.

2. New Zealand communities

We help plan cities that are easier to get around, we build new highways, we invest in roads, public transport, walking and cycling in regions and towns, and we make the roads safer. We do this by working with our stakeholders.

We want our customers and stakeholders to be satisfied that:

- we deliver services and solutions that are convenient, effective and efficient and that represent good value for money
- we help them make more efficient, effective and safe transport choices
- we listen to them and consider their views even when, in the end, we might not provide the answer or investment decision they had hoped for.

3

HOW WE WORK**3 BEHAVIOURS**

To help build the effectiveness of our organisation, we have developed three behaviours:

1. Sign up – We commit to where we are going and we put our heart into what we do. We get engaged every day.

2. Team up – We enjoy the people we work with and appreciate their talents. We find solutions for our customers with joined up thinking.

3. Front up – We are courageous. We tackle the difficult issues. We know our value and bring it to our work with confidence and good judgement.

Our Organisational Development Strategy focuses on building a high-performing culture, by:

- developing our people, because what distinguishes a great organisation is the calibre of its people
- working with others really well, because we engage with a wide range of stakeholders and customers every day
- achieving together, because we need to offer customers and stakeholders an NZTA that is 'joined up'.

4

WHAT WE DO**4 FUNCTIONS**

Our core business over the longer term is:

1. Providing access to and use of the land transport system

Shaping smart choices

We are helping shape the transport choices that people make by providing good information and encouraging them to travel safely and efficiently. We want to work cooperatively with other network operators to unlock the land transport system's contribution to a thriving New Zealand.

2. Planning the land transport networks

Integrating one network

We are integrating land use and transport planning so that there are many ways to get around our towns and cities seamlessly – walking, cycling, using public transport or motor vehicles. We also want to ensure New Zealand has a resilient transport infrastructure backbone.

3. Investing in land transport

Maximising return for New Zealand

We are making smart investments in the national, regional and local land transport system because we need to ensure every dollar we spend helps New Zealand thrive. Together with our partners we allocate funds to advance national and regional transport objectives.

4. Managing the state highway network

Delivering highway solutions for customers

We are ensuring that each state highway plays its part in the wider transport network and provides safe and reliable journeys. Over time we want to improve the experiences that people have on our highways, and recognise the different needs of freight, commuters, tourists, business and leisure travellers.

5

OUR IMMEDIATE FOCUS**5 STRATEGIC PRIORITIES****1. Planning for and delivering roads of national significance**

Plan for and substantially deliver by 2020 seven new roads on some of the most important parts of the state highway network.

2. Improving the road safety system

Help deliver Safer Journeys by implementing a Safe System approach to reduce serious injuries and deaths on our roads.

3. Improving customer service and reduce compliance costs

Focus our efforts on providing high levels of customer service while being smart about reducing costs.

4. Improving the effectiveness of public transport

Lift the effectiveness of public transport services to better use existing transport capacity and ease congestion in our big cities.

5. Improving the efficiency of freight movements

Contribute to a significant improvement in safe and efficient access of freight to markets.

**OUR
OPERATING
ENVIRONMENT
IN 2011/12**

1.7%

**growth in economic activity
boosted by high prices for
soft commodities and more
spending by households.**
(Based on latest available
figures to March 2012.)

0.9%

**growth in transport, postal
and communication services.**
(Based on latest available
figures to March 2012.)

8.0%

**contraction in residential
and non-residential
building activity.**

27,900

**more people living in New Zealand
for the year ended June 2012,
but the rate of population
growth slowed to 0.6%.**

13.7%

**of people living in
New Zealand aged 65 or
over as at June 2012.**

15th

out of 125 countries for innovation.

(International Business School, INSEAD and the World Intellectual Property Organisation.)

25th

out of 142 countries for global competitiveness.

(World Economic Forum.)

50th

out of 132 countries for how its environmental matters have trended.

(Yale Centre for Environmental Policy.)

1.0%

increase in heavy vehicle counts on the state highway network for the year ended June 2012 points to further improvements in the economy.

8.6%

reduction in the number of fatalities on New Zealand roads for the year ending 30 June 2012 reflects the continuance of a positive trend in road safety.

2.4%

increase in heavy and civil engineering prices reflects higher input costs as at June 2012, notably for skilled labour in anticipation of the Christchurch rebuild.

OUR ACTIVITIES

\$868.5

MILLION
INVESTED IN ROAD
USER SAFETY

\$868.5 million was invested in road user safety in 2011/12, covering policing, road safety promotion and specific benefits from road, public transport, cycling and walking, infrastructure improvements, maintenance and operations.

1,344

KILOMETRES
OF STATE
HIGHWAY
RENEWED

1,344 kilometres of state highway were renewed in order to maintain the safety and integrity of the state highway network. Renewal works are prioritised to address the differing needs of each state highway classification.

19,758

MILLION
VEHICLE
KILOMETRES

19,758 million vehicle kilometres were travelled (all vehicles) on the state highway network in 2011/12 – a 1% decrease from 2010/11. The economic environment, higher average energy prices and the impact of the Christchurch earthquakes were some of the contributors to a slight decline in travel by all vehicles.

1.995

MILLION
VEHICLE
KILOMETRES

1.995 million vehicle kilometres were travelled by heavy vehicles on the state highway network in 2011/12 – an increase of almost 3.0% from 2010/11. A relatively strong export performance in the early part of the year followed by small improvements in domestic demand towards the end of the year pushed travel by heavy vehicles higher.

\$2,363

MILLION
INVESTED
BY NLTF

The National Land Transport Fund invested \$2,363 million (excluding expenditure on the NZ Police Road Policing Programme) in the year ended 30 June 2012.

147,811

ROAD USER
CHARGES LICENCES
PURCHASED
ONLINE

147,811 road user charges licences were purchased online – an increase of 35.2% during the year ended 30 June 2012. It is anticipated that the volume of online transactions will continue to grow.

898,721

ONLINE MOTOR
VEHICLE
REGISTRATION
TRANSACTIONS

898,721 motor vehicle registration transactions were completed online – an increase of 31% during the year ended 30 June 2012. We expect that the volume of online transactions will continue to grow.

70

MILLION
PUBLIC
TRANSPORT
BOARDINGS IN
AUCKLAND

70 million public transport boardings in Auckland (bus, train and ferry) for the year ended March 2012. The NZTA provides up to 50% funding assistance for public transport trips and in the last year spent just over \$231 million nationally with approximately the same amount coming from local government.

OUR FINANCES

WE HAVE ENDED THE FINANCIAL YEAR TO 30 JUNE 2012 WITH A NET SURPLUS OF \$41.38 MILLION, COMPARED WITH A DEFICIT OF \$34.69 MILLION IN THE PREVIOUS YEAR.

Further information and analysis of our results is provided under 'Highlights from our financial statements' on pages 95 to 97.

\$2 BILLION TOTAL INCOME

Our total income was \$76.7 million higher than in 2010/11. This was essentially due to the Crown's increased investment in the reinstatement of roads in Canterbury.

\$1.95 BILLION TOTAL EXPENDITURE

Our total expenditure was at a similar level to 2010/11. Investment in local roads was lower than in 2010/11, but this was offset by higher spending on public transport and state highway maintenance (largely due to emergency works).

\$26.50 BILLION TOTAL ASSETS

The total value of our assets is \$744.9 million higher than in 2010/11 due to an increase in the valuation of the state highway network.

\$1.09 BILLION CAPITAL EXPENDITURE

Our capital expenditure was \$289.6 million lower than in 2010/11 in line with our state highways programme for 2011/12. The 2009-12 National Land Transport Programme (NLTP) is a three-year programme of work in which the early years workload was accelerated. To balance back to the target, the programme was reduced in the final year (2011/12).

OUR SUCCESSSES

Many of the NZTA's staff, stakeholders and partners have received recognition for the work they have produced in the year to 30 June 2012. The following section showcases some of our successes.

LEGEND WINS INTERNATIONAL AND NATIONAL ADVERTISING AWARDS

The drink-driving campaign, *Legend*, which launched in October 2011, has had a phenomenal response not only with its intended target audience of young Māori males, but also with the New Zealand public as a whole.

A Safe System spreads the responsibility of sober driving beyond the drivers themselves. *Legend* asks people beyond the driver to take some responsibility for the drink-driving problem.

This year, *Legend* won a prestigious Yellow Pencil for Integrated and Earned Media at the international D&AD Awards – the only New Zealand advertisement to do so. The annual D&AD Awards, based in London, are international advertising awards that are recognised throughout the world.

They are recognised as a symbol of true creative achievement and year on year they showcase the very best international work and provide an unrivalled source of creative inspiration.

Legend was also recently chosen by New Zealand advertising industry members as TV commercial of the year in a survey by StopPress/ThinkTV. In a recent article StopPress said, 'This ad appears to have cemented a place in Kiwi advertising folklore and, as the video says, "the phenomenal thing" is the target audience is now going to parties and proudly spreading a government sponsored anti-drink-driving message.'



WELLINGTON TUNNELS ALLIANCE WINS A NEW ZEALAND SAFETY AWARD FOR THE INNOVATIVE TB7 PLATFORM

The alliance (made up of the NZTA, Leighton Contractors, SKM and AECOM) picked up the Kensington Swan Best Initiative to Address a Safety Hazard Award at this year's New Zealand Workplace Health and Safety Awards, announced on 30 May 2012.

The award is for Thunderbird 7 (TB7), the big red platform that has made a major contribution to keeping the team safe. With the Terrace Tunnel refurbishment taking place at night, nearly eight metres in the air and in an enclosed space, ensuring site safety and minimising hazards was vital.

The TB7 is a self-driving mobile work deck shaped to the ceiling's contours which could be elevated to varying working heights to provide a safe and productive work platform which also helped minimise manual handling risks. The platform was raised at the end of each shift to protect road users from any falling debris. Because TB7 stayed in the tunnel it also meant the team could work longer shifts before needing to pack away.

The innovative multi-purpose device is already attracting a lot of attention internationally.



SIX WINS FOR NGA NEWMARKET - THE NEWMARKET VIADUCT REPLACEMENT PROJECT TEAM

The NZTA's inaugural GEM Awards were presented in October 2011, to suppliers who 'Go the Extra Mile' to provide great customer service.

The NGA Newmarket Alliance was crowned Supreme GEM winner for their management of New Zealand's biggest motorway closure – Southbound Switch. They also won two category awards – Innovations in Customer Care and Providing Excellent Customer Care during an event. In his acknowledgement of NGA Newmarket's supreme award win, Geoff Dangerfield said the team's advance planning and outstanding communication with the public has set a new standard for the delivery of the NZTA's projects.



- ⌘ geoff dangerfield presents the supreme gem award to mike booth (alliance project manager) and elizabeth collins, (communications and stakeholder manager) of nga newmarket
- ⌘ the supreme gem award



- ⌘ newmarket viaduct work in progress
- ⌘ derrington construction award

February 2012 also brought the NGA Newmarket Alliance team a prestigious award from the Institute of Structural Engineers in the UK. They won the Derrington Construction Award for a paper on the unique deconstruction process of the Newmarket Viaduct, prepared by three of their engineers.



The NGA Newmarket Alliance also won a Public Relations Institute of New Zealand (PRINZ) Award in the Special Event/Project category for providing outstanding public relations during its southbound closure of SH1 over Newmarket in Auckland.

In February 2012, NGA Newmarket won the Quality of Product Award from Leighton Contractors. The award win in the categories of Permanent Design, Superstructure, and Deconstruction and Temporary Works recognises how teamwork, planning and engineering excellence have delivered outstanding quality of product outcomes as well as an iconic asset for the NZTA and New Zealand.



NZTA FATIGUE ADVERTISING WINS GOLD

One of the NZTA's advertising initiatives in the area of fatigue has won gold at the John Caples International Awards, presented in New York.

Tired drivers are a big contributor to deaths on our roads, but most people don't think they are at risk. Looking to encourage safe driving among New Zealanders, we created a campaign to get drivers' attention. The effort, which included print and billboards, showed people how fatigue can catch up with them.

Over one of New Zealand's busiest holiday weekends as people headed out on holiday, vehicles were photographed (with their permission) as they boarded the Interislander. While sailing, a team of people created flyers with a fatigue message and personalised the ads for each vehicle with the photo of the driver.

When the people returned to their cars to drive off the ferry, they found the ad with photos of themselves.

'This is the best execution I've seen for ages,' commented one Caples judge. 'Perfect use of the situation of drivers leaving their cars for a couple of hours.' The John Caples International Awards honour the best in direct and interactive marketing around the world, so this is really exciting for us.



THE TAURANGA HARBOUR LINK PROJECT TAKES OUT ENGINEERING EXCELLENCE SUPREME AWARD

The NZTA's Tauranga Harbour Link project was awarded the highest New Zealand engineering excellence honours taking out the Supreme Award at the New Zealand Engineering Excellence (NZEE) Awards this year.

The NZTA Tauranga Harbour Link project was selected from the winners of each of the other NZEE project and product awards. The award recognises the project as outstanding from the others in terms of its eminence and contribution to engineering in New Zealand.

Tauranga Harbour Link was recognised from 15 finalists in the projects and products awards beating out other great projects such as the Manukau Harbour Crossing and Te Rewa Rewa footbridge in New Plymouth.

The Tauranga Harbour Link project also received the NZEE's Transportation Infrastructure Award. The \$130 million project was one of the largest transport projects ever constructed in New Zealand at the time and the largest for the Bay of Plenty before the construction of the NZTA's Tauranga Eastern Link which started construction late last year.

The Tauranga Harbour Link was acknowledged for helping to reshape an important transport corridor in Tauranga, and providing an overall effective transport and freight route to the Port of Tauranga.

The design and construct project was delivered by Fletcher Construction and URS New Zealand with the construction work monitored by the NZTA's consultant BECA.

The NZEE Supreme Award also recognises the technical engineering challenges that the project mitigated such as addressing soil conditions beneath the bridge's structure and for minimising the impact of the project on the environment and stakeholders.

The Tauranga Harbour Link project has also won other top awards including Rounding New Zealand's Rounding Excellence Award in 2010.



NZTA A FINALIST AT THE PLAIN ENGLISH AWARDS

The NZTA was a finalist in two categories at the Plain English Awards in November 2011.

This success recognises how the NZTA is continuing to improve customer service across the organisation.

The NZTA's booklet *Keeping moving: the positive guide for senior road users*, was a finalist in the Best Plain English Document – Public Sector category. The judges said, 'This entry was nothing like the way government agencies used to write — more like a helpful adviser talking to us than a bureaucrat listing the facts.'

Our Safe Teen Driver campaign was a finalist for Plain English Champion — Best Project. The judges said, 'This project was extremely well written and designed using plain English principles. It was clear that the writers kept the multiple readers in mind and used creative approaches to reach the varied audience.'



PUBLIC RELATIONS AWARD FOR THE VICTORIA PARK TUNNEL'S COMMUNICATION

At the time of its construction, the Victoria Park Tunnel project was the largest, fastest paced, most complex motorway upgrade ever in New Zealand. For 30 months it impacted day and night on the lives of the 5000 residents of St Marys and Freemans bays in central Auckland, some living within five metres of work. The work site was also the motorway used by 150,000 vehicles a day.

Using open, honest communication, the project got the community through chaos and disruption and exceeded expectations about how people's issues and concerns would be dealt with. It turned project cynics into champions, as evidenced by the 200+ unsolicited compliments we received.

Work by the project's Stakeholder Liaison and Communication team, including the NZTA's Helen Cook, won the Government/Quasi Government section of the Public Relations Institute of New Zealand's 2012 Annual Awards. The team was ably supported throughout the project by the NZTA's National Communications team, particularly Auckland-based media manager, Ewart Barnsley.



SOFTWARE DEVELOPED FOR AN NZ TRANSPORT AGENCY WAIKATO CONTRACT WINS INNOVATION AWARD

Well done to the Transfield team for winning the first Road Incident Management Steering Group Innovation Award. The award was set up to encourage the sharing of asset management data analysis innovations within the road maintenance industry.

The award recognised Transfield's T-SKAN software, which was developed to assist with visualisation and field data collection of multiple data sets.

T-SKAN takes large amounts of data (hundreds of thousands of lines) and creates a visual representation of what traditionally would have been analysed on multiple spreadsheets.

The software is unlike any in the industry and has received praise from all those who have seen it in action. The award was granted based on originality, the complexity of the problem and the significance of the outcome.

