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**SECTION A:**  
**NLTF**  
**OVERVIEW**



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## CHAIR'S REPORT

The 2012/13 annual report for the National Land Transport Fund provides information on how the fund has been invested by the NZ Transport Agency to create transport solutions for a thriving New Zealand. The National Land Transport Fund receives its revenue from transport users by way of fuel excise duties, road user charges and annual vehicle licensing fees.

The fund is the primary source of central government funding for the development of the land transport system.

This annual report demonstrates how investments of the National Land Transport Fund continue to meet the goals outlined in the Government Policy Statement on Land Transport Funding.



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**Chris Moller**  
Chair

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## CHIEF EXECUTIVE'S REPORT

The 2012/13 National Land Transport Fund annual report provides information on how the fund has been invested in the first year of the three-year 2012-15 National Land Transport Programme.

Throughout the full three-year period, the National Land Transport Programme will target investment in land transport where it is most needed. These investments will reflect a whole-of-life view to ensure that the best transport system is developed for the long- term benefit of New Zealanders.

To make the most of the National Land Transport Fund investments, the NZ Transport Agency and local authorities are increasingly working together on the transport system - to maintain and build improvements to local roads, state highways and public transport and to operate them as an integrated network. The first year success of this National Land Transport Programme reflects the joined-up thinking that comes from working with our transport sector partners and stakeholders.



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**Geoff Dangerfield**  
Chief Executive

## 2012/13 NLTF INVESTMENT PERFORMANCE AT A GLANCE

**\$636m**

invested in local  
road projects

**90km**

of new and improved  
local roads were  
completed

**\$84m**

invested in emergency  
reinstatement of  
local roads

**\$288m**

invested in public  
transport - 13.8%  
higher than in  
2011/12

**132.7m**

passenger boardings  
on public transport  
received NLTF funding  
assistance

**\$895m**

invested in road  
user safety

**\$68m**

invested in  
walking and cycling  
facilities

**47km**

new walking and cycling  
facilities were funded  
from the NLTF

**28,581**

crashes were attended  
by the Police as part  
of the Road Policing  
Programme

**2.9m**

alcohol readings were  
taken by the Police as  
part of the Road Policing  
Programme

**\$997m**

invested in new  
and improved  
infrastructure for  
state highways

**85  
lane km**

of reconstruction and  
new roads completed  
on the state highway  
network

**12.6  
lane km**

of bridge replacements  
on the state highway  
network

**\$175m**

invested in  
renewal of state  
highways

**11.5%**

of sealed state  
highway network  
resurfaced

**\$342m**

invested in  
maintenance and  
operation of state  
highways

**99%**

of the state highway  
network meets safe  
stopping surface  
texture standards

**\$56m**

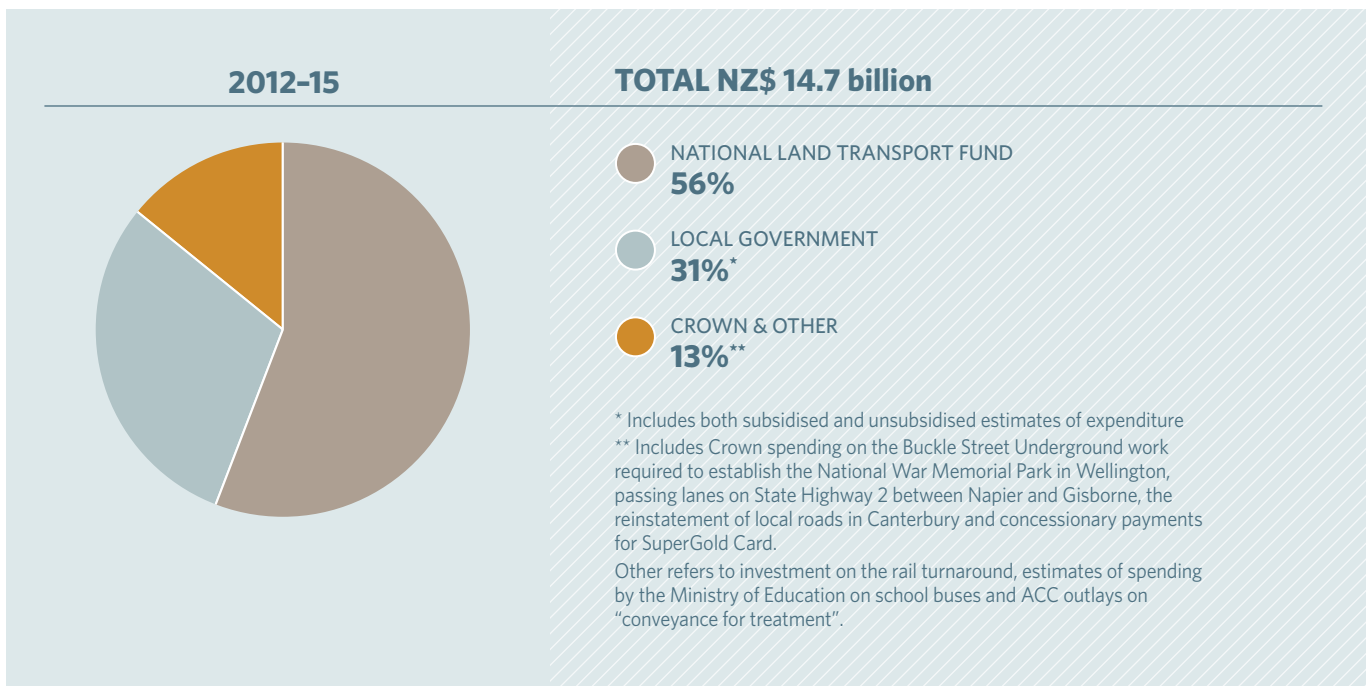
invested in state  
highway emergency  
reinstatement

## OVERVIEW OF THE LAND TRANSPORT INVESTMENT SYSTEM

### INVESTMENT IN TRANSPORT

New Zealand's road users primarily fund the country's land transport system through fuel excise duty (petrol tax), charges on diesel and heavy vehicles (road user charges) and vehicle registration and licensing fees. These funds are paid into the National Land Transport Fund to facilitate the government's investment in maintaining and improving land transport networks and services. There are many investors that contribute to providing and using the land transport system such as local authorities that invest on behalf of communities. A significant number of firms and individuals also invest in transport infrastructure (eg subdivision roads) and associated infrastructure. This includes vehicle storage facilities, and other user-based costs such as access charges, parking, taxi and public transport fares.

### 2012-15 ESTIMATED LAND TRANSPORT PUBLIC SECTOR INVESTMENT





## CHANGES IN THE ENVIRONMENT

Our economy has outperformed many of its peers. Although the drought which occurred in the early part of 2013 slowed the pace of economic activity, the economy still managed to post solid growth of 2.5% for the year ending March 2013.

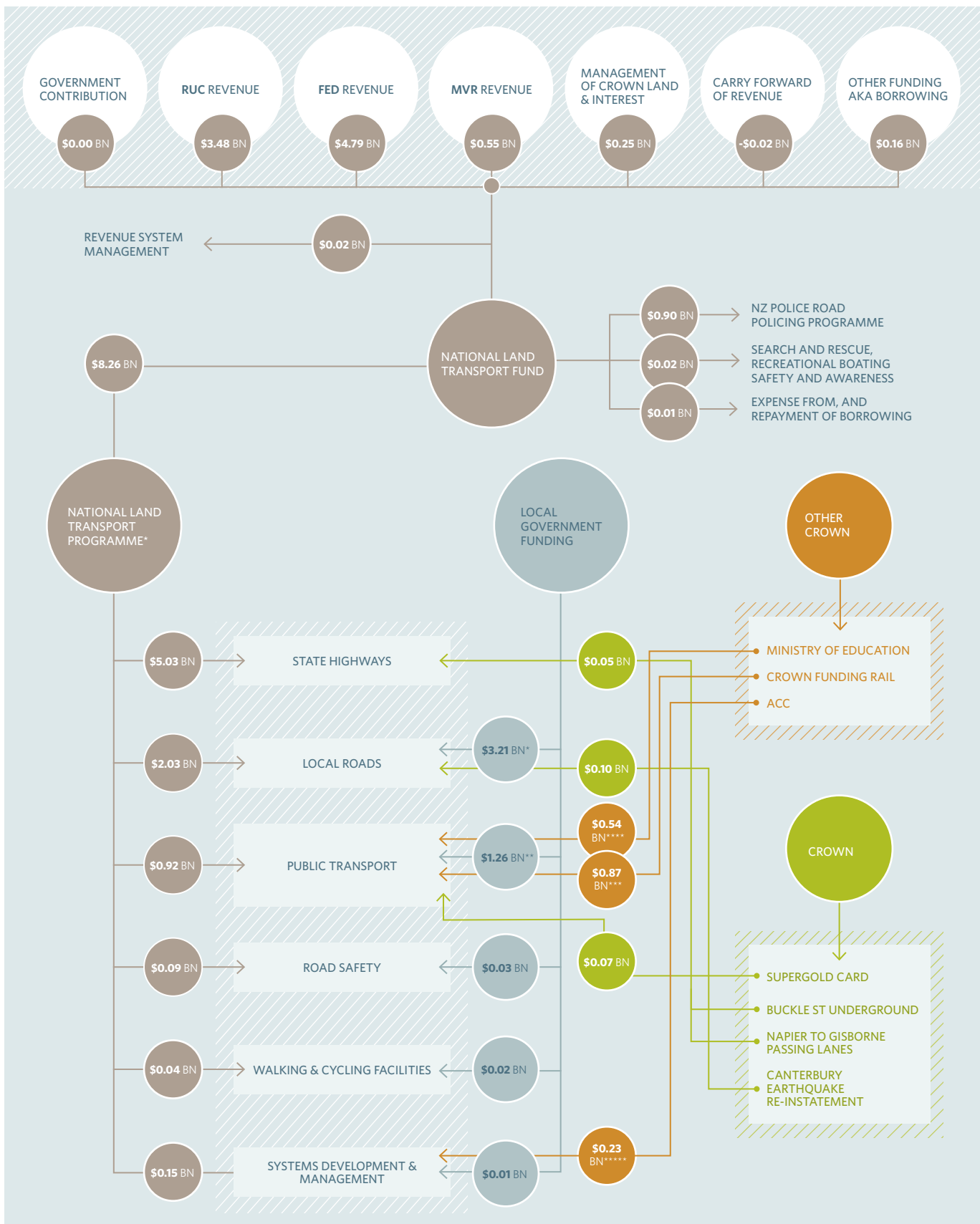
Key contributors include

- an improvement in domestic conditions
- the improving financial position of households
- a continuation of an accommodative monetary policy
- ongoing fiscal prudence
- a buoyant housing market in Auckland
- increasing post-earthquake recovery efforts in Christchurch.

Against this backdrop, revenues flowing into the National Land Transport Fund were up 2.7% for the year ending June 2013 to \$2.764 billion. However, they were also 4% lower than budget.

- Net revenues generated from fuel excise duties were 3.5% higher than recorded for the previous year, but 5% under budget. This performance reflects adjustments to the rate at which excise duties are levied, a 17.7% increase in refunds and relatively flat energy prices which offset the impact of still high unemployment on discretionary private vehicle travel.
- Net revenues generated from road user charges were 1.9% higher than recorded for the previous year, but 5% lower than budget. Contributing factors include little or no growth in vehicle kilometres travelled by heavy vehicles, a 1.8% increase in average weight carried by heavy vehicles and changes in purchasing behaviour following the introduction of the new system of road user charges.
- Net revenues generated from motor vehicle registrations were marginally down on the previous year, but up 7% on budget. This reflects a trend to shorter frequency purchases, and ongoing affordability issues for some vehicle owners.

### FUNDING FOR 2012-15 NATIONAL LAND TRANSPORT PROGRAMME



\* Made of a subsidised amount of NZ\$1.63bn plus an unsubsidised estimate of NZ\$1.58bn  
 \*\* Made of a subsidised amount of NZ\$0.74bn plus an unsubsidised estimate of NZ\$0.52bn  
 \*\*\* Rail Funding for Kiwirail turnaround plan of NZ\$0.87bn  
 \*\*\*\* Ministry of Education spending on school buses amounts to about \$0.18bn per annum  
 \*\*\*\*\* Estimated ACC expenditure of NZ\$0.08bn per annum

NOTE: An estimated NZ\$0.2bn of additional spending in Walking & Cycling facilities is included as an investment in State Highways, Local Roads, Road Safety and Systems Development & Management

# INVESTMENT STRATEGY

The Transport Agency's Investment and Revenue Strategy sets out the prioritisation framework that is used to develop and manage the National Land Transport Programme. It provides the framework to give effect to the Government Policy Statement on Land Transport Funding (GPS).

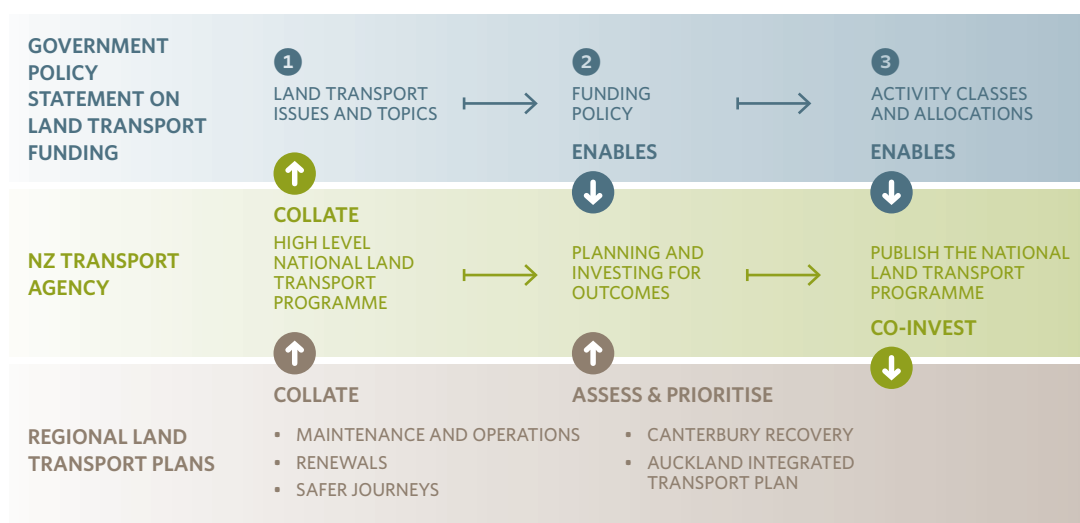
The GPS is issued by the Minister of Transport.

The GPS identifies the key land transport issues for planning and funding from a central government perspective.

It specifies funding policy for the National Land Transport Fund and how the National Land Transport Fund should be divided among activity classes to achieve the objectives sought by government for land transport

Our planning and investing for outcomes approach translates between activity levels described by funding levels in the GPS and outcomes sought through our direct investment on state highways and co-investment with local government and others.

## GOVERNMENT POLICY STATEMENT



The Investment and Revenue Strategy ensures that the Transport Agency invests in the right activities that have the greatest potential to support a thriving New Zealand. It enables us to be a 'smart investor' in the following ways:

- The strategic fit test ensures we prioritise investment that provides the economic growth, productivity and safety impacts of the GPS.
- The effectiveness test ensures that those activities are delivered in the way that has the greatest impact.
- The efficiency test ensures that those activities are delivered at the best possible whole-of-life cost.

The Investment and Revenue Strategy prioritises National Land Transport Programme investment towards:

- the Safer Journeys road safety strategy (including the adoption of a Safe System approach) and reducing deaths and serious injuries
- relieving congestion in major urban areas and improving journey time reliability
- optimisation of the land transport network and services

- key tourism and freight routes, including those for high productivity motor vehicles
- transport planning, research and training investment that makes the greatest contribution to priorities in other activity classes and those above
- encouraging integrated planning approaches.

In 2012/13 we revised the revenue part of the strategy:

- Public Private Partnerships will be considered as a procurement approach for state highway improvements when it can offer greater value for money than would be expected under a conventional procurement approach.
- The updated approach to state highway tolling requires that all new state highway road links are evaluated for their suitability for tolling. That includes continuing to provide net financial and economic benefits.

For information on the contributions output classes have to the impacts contained in the GPS, refer to page 96.

## PROGRESS ON THE 2012-15 NATIONAL LAND TRANSPORT PROGRAMME

### OVERVIEW OF THE 2012/13 INVESTMENT PORTFOLIO

In the year to 30 June 2013, National Land Transport Fund (NLTF) investment through the published 2012-15 National Land Transport Programme (NLTP) was \$2,805 million. Measured against the initial phasing of the NLTP, we are currently \$116 million or 4% behind programme. The end of 2012-15 NLTP position is expected to be down 1% against the published NLTP.

#### State highway network

Investment in the new and improved infrastructure for state highways output class amounted to \$993 million in 2012/13, around 2% behind plan, and is on target to achieve the published 2012-15 NLTP in the three-year period. A number of high profile nationally significant projects have advanced:

- Replacement of the Newmarket viaduct.
- Western Ring Route: Significant progress has been made in the construction of the Waterview Connection (SH20) and the Lincoln Road Interchange (SH16). The tunnel boring machine for the Waterview tunnel section of the SH20 extension was delivered to site.
- Waikato Expressway: The Te Rapa section was completed and opened to traffic and construction work continues on the Ngaruawahia Bypass section.
- Wellington Northern Corridor is being delivered with Resource Management Act consents for the SH1 MacKays to PekaPeka Expressway – consents for PekaPeka to Ōtaki lodged with the Environmental Protection Authority, and Transmission Gully is being progressed as a Public Private Partnership.
- Christchurch Motorways project: Two sections were opened to traffic – Christchurch Southern Motorway Stage 1 and the Pyne Gould to Avonhead section of the Christchurch Western Corridor.
- Bridge investigations in the upper North Island for the delivery of the high productivity motor vehicle (HPMV) strategic network have been completed. Upgrade work has commenced on two bridges in Northland on State Highway 1.

In addition, another \$461 million was spent on the renewals, maintenance and operation of the state highway network during 2012/13.

This assisted in keeping the state highways available 94% of the time. 11.5% of the sealed network was resurfaced during 2012/13, up from 10% in the previous year.

In excess of \$56 million was spent on emergency works, including the restoration of the Manawatu Gorge route following significant slips.

#### Local roads

The NLTF invested close to \$400 million in local road renewals, and maintenance and operations (excluding emergency works). This was approximately 7% below the NLTP plan for 2012/13, mainly due to the 13% under-spend on renewals, with routine maintenance and operations expenditure being on plan. The under-spend on renewals is expected to continue through to the end of the 2012-15 NLTP. However, the forecast spend on maintenance and operations will be close to plan. Local authorities have transferred some renewal funds to routine maintenance and operations, and more transfers are being signalled. Reasons for the under expenditure in renewals are local authority decisions to focus more on maintenance and operations, local authorities prioritising other investment areas for local funds and efficiencies, slower than expected progress on programmes and efficiencies in delivering the same work at a lower cost than budgeted.

Local road improvements expenditure was close to the NLTP plan for 2012/13, although this was assisted substantially by the bringing forward of claims for Auckland Transport front-loaded projects (around \$33 million) for early payment. The end of 2012-15 NLTP spend is expected to be below plan by approximately 8%.

Major investments in local roads were:

- continuing development of the Auckland Manukau Eastern Transport Initiative (AMETI)
- the Hamilton Ring Road, including the four-laning of Wairere Drive and Peachgrove, Te Aroha, Ruakura upgrade
- construction of the Lower Hatea River Bridge in Whangarei
- replacement of the Ashley River Bridge in the Waimakariri district
- four-laning of Lake Road in Rotorua
- four-laning of Tara Road, Tauranga.

#### Emergency works

Emergency works expenditure across local roads and state highways was down approximately 9% on budget. The \$50 million NLTF contribution to the Christchurch earthquake rebuild was fully spent. The under-spend represents slower reinstatement than expected. At this stage, the under-spend is assumed to continue, acknowledging that the actual spend at the end of the NLTP will depend on claims received for weather events and seismic activity in the remaining two years.

In addition to the NLTF investment, around \$65 million of central government funding was contributed to the reinstatement of damaged roads in Christchurch in the 2012/13 NLTP year.



### Public transport infrastructure

Investment in public transport infrastructure projects was prioritised and targeted to activities and areas that maximised our investment return, in particular Auckland, where there is a need for greater focus on relieving severe congestion and enabling economic growth. Public transport infrastructure spend was around 35% above plan for 2012/13 as a result of the cost-scope increase for the Auckland integrated fares project. Key investments in this activity class included:

- Auckland integrated fare system construction/implementation
- real-time system extension (Auckland passenger rail)
- Auckland Manukau Eastern Transport Initiative (AMETI) package (stage 1)
- Manukau City rail link construction
- Mount Albert station construction.

### Public transport services

During the year, the NLTF invested \$243 million across all regional networks in public transport services and operations. This expenditure on public transport services was about 8% lower than the 2012/13 plan and largely represents lower than expected costs of approved organisations in delivering their services. The majority of this investment, close to 90%, was in Auckland, Wellington and Christchurch where the majority of the services and related costs are targeted at assisting in relieving severe congestion. Much of the increase in expenditure is the result of additional investment in services in Auckland, passenger rail operational related costs in Auckland and Wellington, and operating costs associated with implementing and running Auckland's integrated ticketing system.

As well as an increase in the level of our investment, public transport patronage has increased by 0.3 million to 132.7 million during the year across the country. The level of this increase was affected by recovery in Christchurch following the earthquake on 22 February 2011, and minimal patronage movement across the majority of other networks.

### Road safety

During the year the NLTF invested \$28 million in local government programmes and in nationally delivered advertising and education activities that increase the safe and efficient use of the land transport system. The greatest proportion of spend in 2012/13 was on alcohol and drug impaired driving risks, followed by younger drivers, speeding and cycling safety.

### Walking and cycling

Initial delivery of walking and cycling infrastructure against plan is disappointing, considering the level of funding approved activities for 2012/13. The most significant expenditure was based in Auckland with the initiation of the large Central Motorway connection and completion of several smaller activities, followed by the New Plymouth and Hastings model communities, and Canterbury. The investment is beginning to demonstrate the long-term benefits of an increase in walking and cycling numbers in the urban centres.

### Road Policing Programme

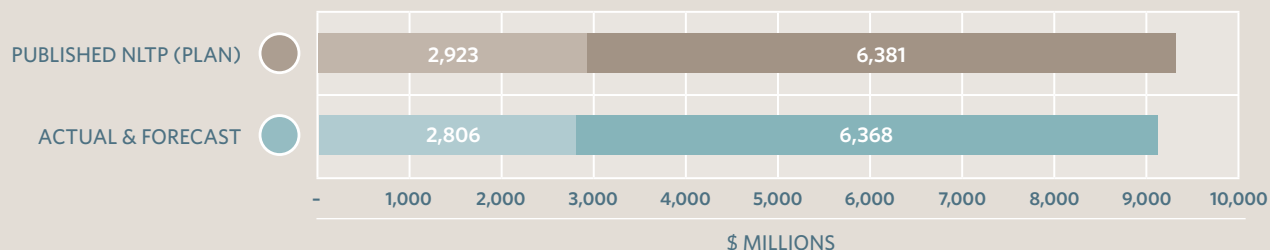
The Road Policing Programme (RPP) achieved all targets and was under-spent by approximately 3% in 2012/13 due to \$10 million being carried forward to the 2013/14 financial year.

A reinvestment programme has been developed to commit these funds to support high value road safety activities.

The RPP is forecast to be very close to plan at the end of the 2012-15 NLTP.

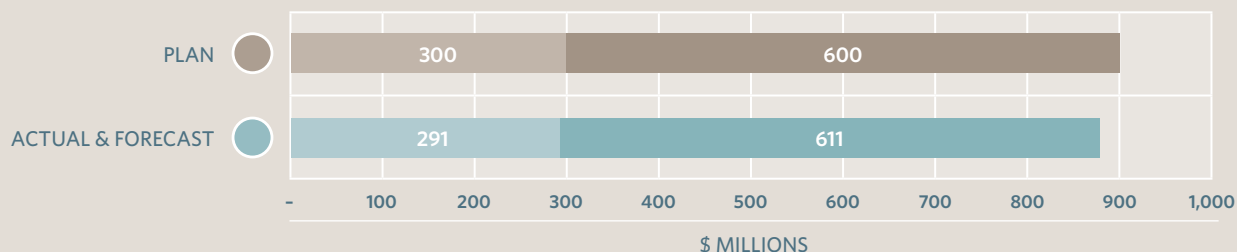
## SIGNIFICANT ACTIVITY CLASS ACTUALS VERSUS BUDGET FOR THE 2012-15 NATIONAL LAND TRANSPORT PROGRAMME AS AT 30 JUNE 2013

### OVERALL



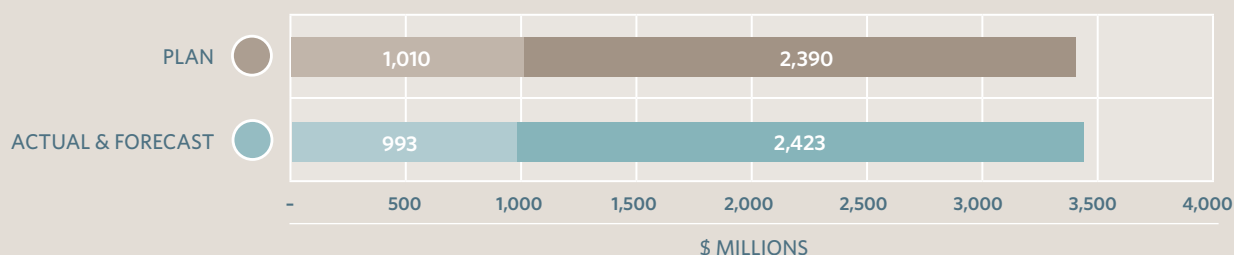
The overall NLTF investment was about 4% below the published NLTP (plan) for 2012/13, due to under-delivery or under-spend across most activity groupings. The end of NLTP position is expected to be down 1% against the published NLTP.<sup>1</sup>

### ROAD POLICING



The Road Policing Programme (RPP) was under-spent by approximately 3% in 2012/13 due to \$10 million being carried forward to the 2013/14 financial year. A reinvestment programme has been developed to commit these funds to support high value road safety activities. The RPP is forecast to be very close to plan at the end of the 2012-15 NLTP.

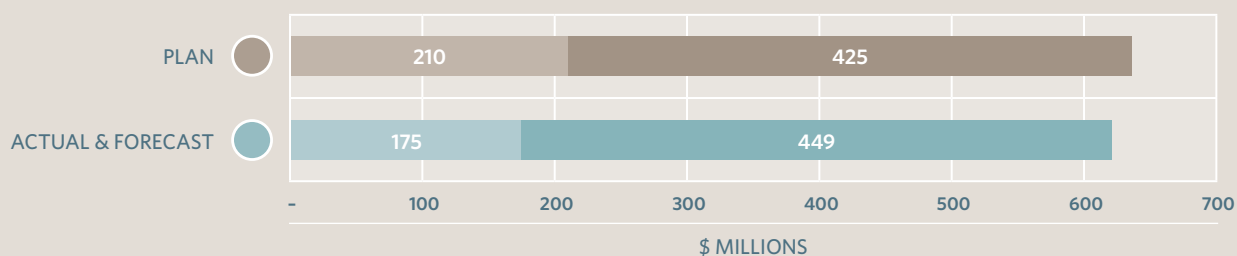
### STATE HIGHWAY NEW AND IMPROVED INFRASTRUCTURE



2012/13 expenditure on new and improved state highway infrastructure was less than 2% behind plan, and is on target to achieve the published NLTP. Additional funding of \$15 million from the Crown for the Memorial Park project was spent in 2012/13. Over the 2012-15 NLTP, an additional \$140 million of the Crown and debt funding (the latter to be repaid from tolls) is anticipated.

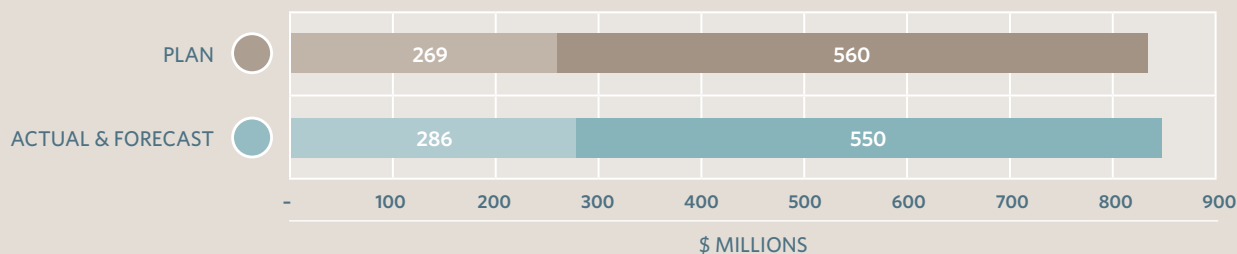
<sup>1</sup> For the NLTF contribution to the NLTP the final overall spend in the 2012-15 NLTP will be dependent on revenue flows into the NLTF. As at August 2013, actual revenue appears to be tracking the April 2013 forecast, but this is lower than the revenue forecast at the time the decision was made to increase fuel excise duty (FED) and road user charges (RUC) by three cents per litre for three years from 2013/14.

## STATE HIGHWAY RENEWALS



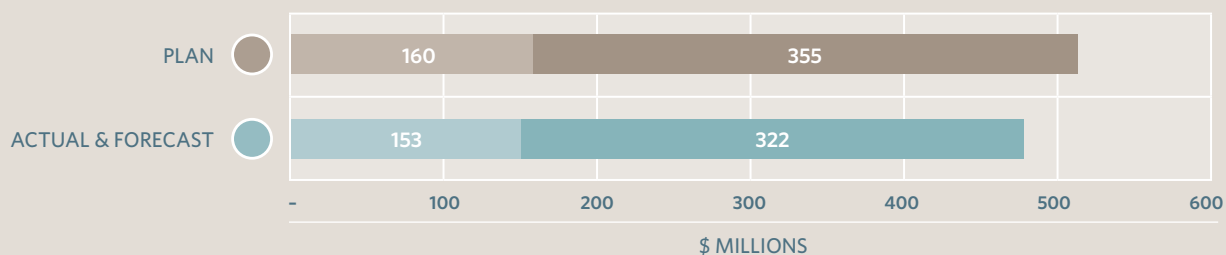
2012/13 expenditure on state highway renewals was almost 17% less than plan, largely as a result of a greater focus on maintenance and operations during the year. This under-spend is expected to be substantially recovered by the end of the NLTP to bring the overall state highway renewals and maintenance programme into balance.

## STATE HIGHWAY MAINTENANCE & OPERATIONS (EXCLUDING EMERGENCY WORKS)



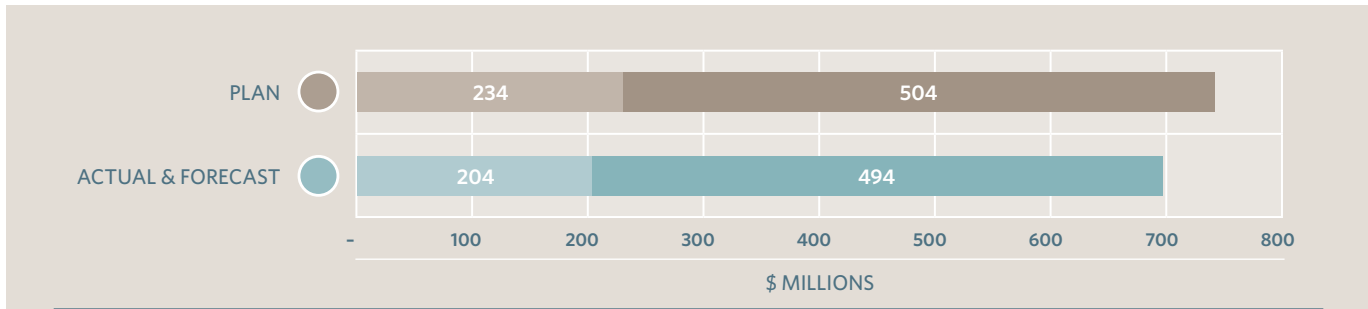
2012/13 expenditure on state highway maintenance and operations was 6% more than plan, but has been offset by the under-spend in state highway renewals. State highway maintenance and operations is forecast to be very close to plan at the end of the 2012-15 NLTP.

## LOCAL ROADS NEW & IMPROVED INFRASTRUCTURE



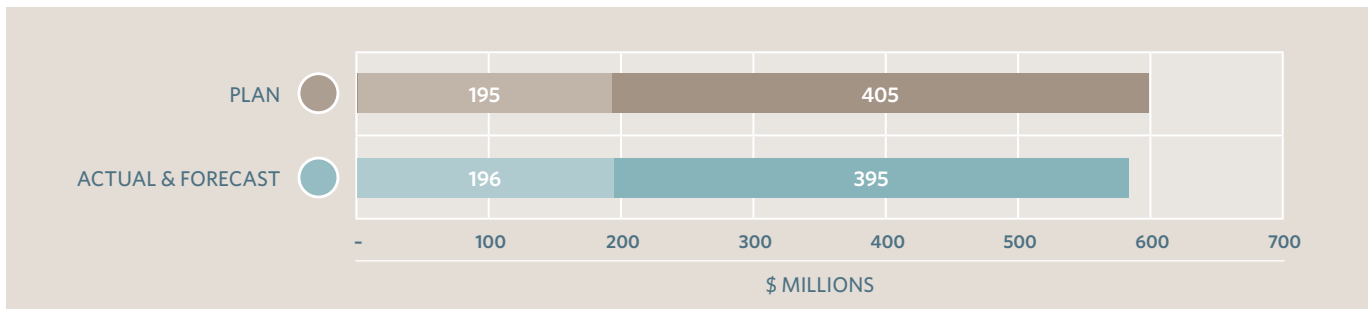
2012/13 expenditure on new and improved local road infrastructure was close to plan, although this was assisted substantially by the bringing forward of claims for Auckland Transport's front-loaded projects (around \$33 million) for early payment. This activity class is expected to be below plan by almost 8% at the end of the 2012-15 NLTP. Approximately \$30 million of funding is earmarked for local road improvements in Christchurch as part of the earthquake rebuild, although some of this may transfer to other activity classes, for example public transport infrastructure.

### LOCAL ROADS RENEWALS



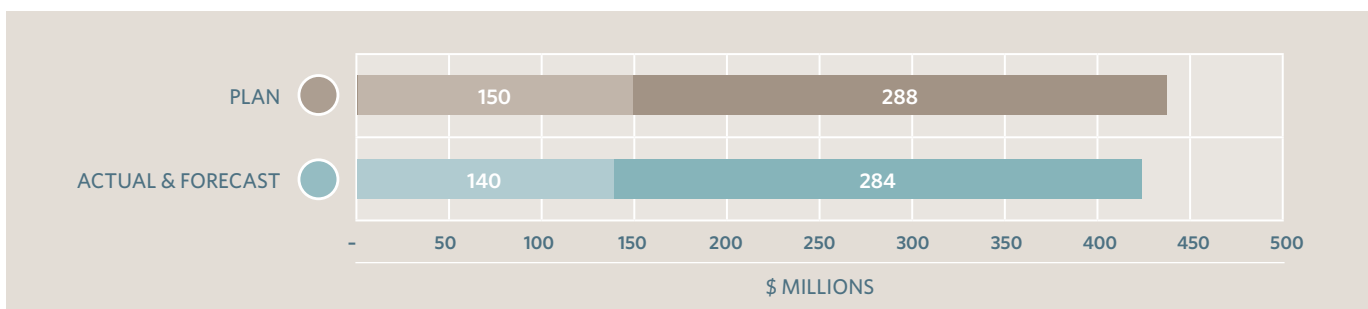
2012/13 expenditure on local road renewals was almost 13% below plan and a similar under-spend is forecast through to the end of the 2012-15 NLTP. Local authorities have transferred some renewals funding to routine maintenance and operations, and more transfers are being signalled. This under spend is caused by a number of factors: decisions to focus more on maintenance and operations; local authorities prioritising other investment areas for local funds and efficiencies; slower than expected progress on programmes; and efficiencies in delivering the same work at a lower cost than budgeted.

### LOCAL ROADS MAINTENANCE & OPERATIONS (EXCLUDING EMERGENCY WORKS)



2012/13 expenditure on local road maintenance and operations (excluding emergency works) was very close to plan and this activity class is forecast to continue close to plan through to the end of the 2012-15 NLTP.

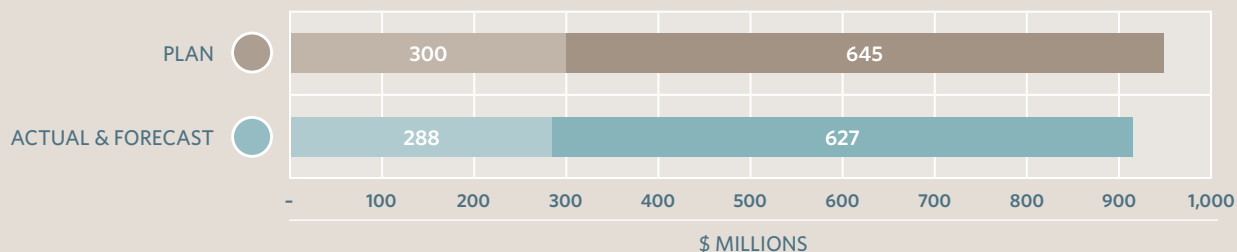
### EMERGENCY WORKS (STATE HIGHWAYS AND LOCAL ROADS)



2012/13 expenditure on emergency works across state highways and local roads was almost 7% less than plan. The \$50 million NLTF contribution to the Christchurch earthquake rebuild was fully spent. This under-spend is forecast to carry through to the end of the 2012-15 NLTP. However, actual spend on emergency works will depend on claims received for weather events and seismic activity in the remaining two years.

In addition to the NLTF spend, approximately \$65 million of central government funding will be contributed to the reinstatement of damaged roads in Christchurch in the 2012-15 NLTP period.

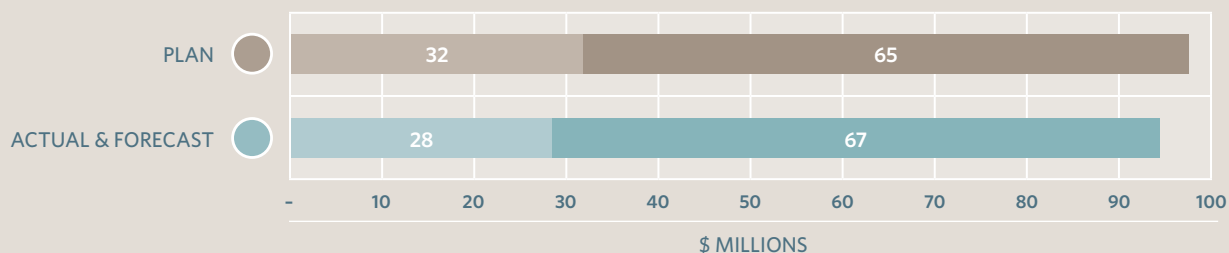
## PUBLIC TRANSPORT



Overall, 2012/13 expenditure on public transport services and infrastructure was 4% less than plan. The spend on public transport services was approximately 8% less than plan, largely as a result of approved organisations delivering their services at lower cost. These efficiencies are forecast to continue through to the end of the 2012-15 NLTP. 2012/13 expenditure on public transport infrastructure was almost 29% more than plan as a result of the cost-scope increase for the Auckland integrated fares project. Expectations are that Auckland's programme will adjust to match the remaining budget for the 2012-15 NLTP.

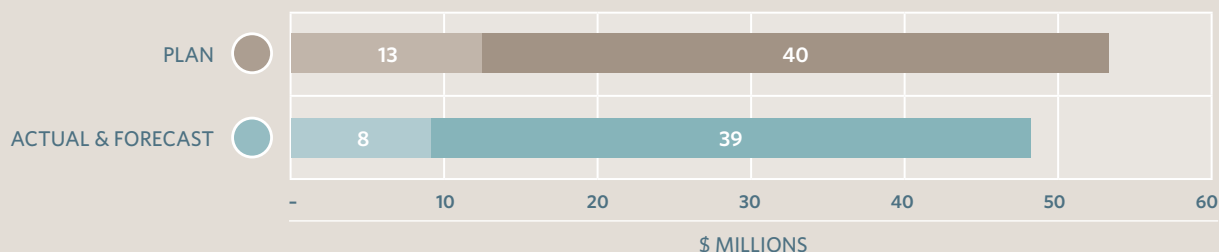
Outside of the NLTF, managed by the Transport Agency on behalf of the Ministry of Transport, about \$23 million was spent on SuperGold card fares and administration in 2012/13.

## ROAD SAFETY



2012/13 expenditure on road safety was 12.5% less than plan, largely as a result of lower than expected delivery of programmes by approved organisations and lower spend by the Transport Agency on nationally delivered advertising and education programmes. Road safety is forecast to be very close to plan at the end of the 2012-15 NLTP.

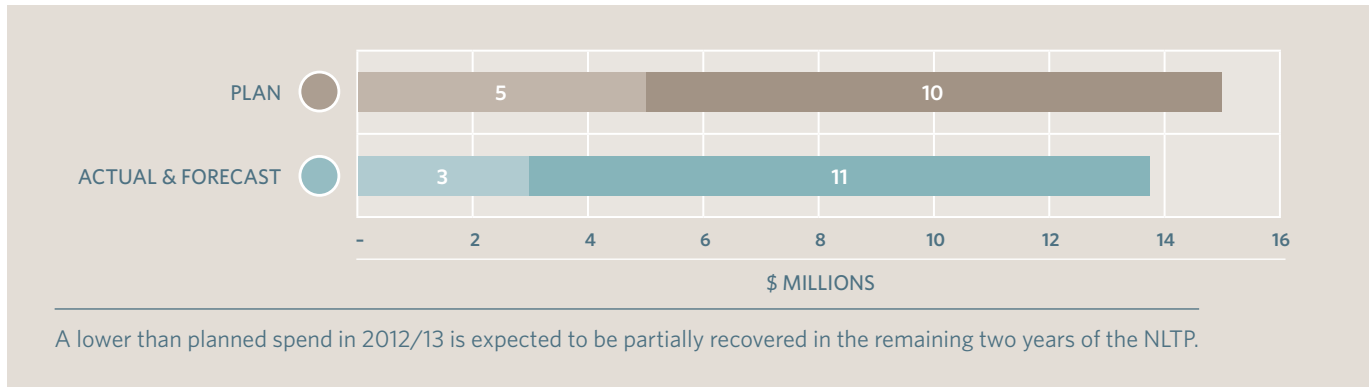
## WALKING & CYCLING



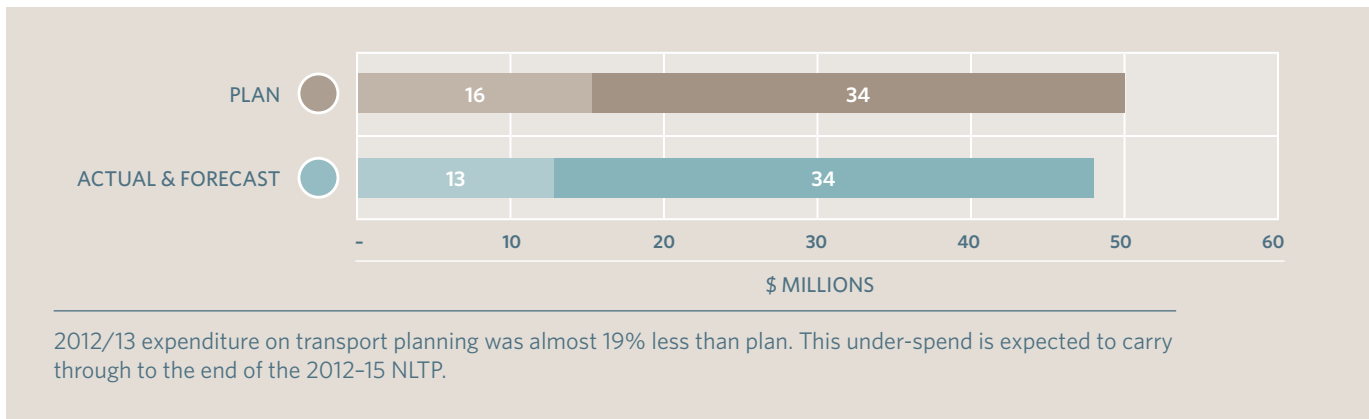
Initial delivery of walking and cycling infrastructure against plan is disappointing, considering the level of funding approved activities for 2012/13. While the apparent demand for funds is strong, based on the current level of funding approvals (\$27 million at August 2013), there is some doubt whether these and new projects will be delivered to achieve the \$39 million forecast spend over the balance of the 2012-15 NLTP, given performance to date.



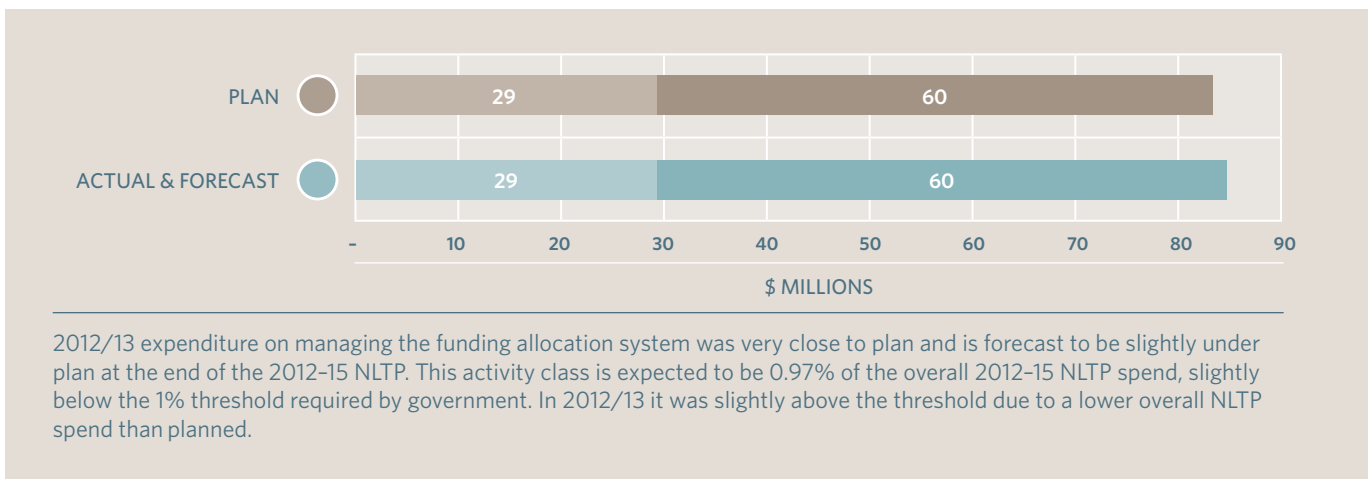
### SECTOR RESEARCH



### TRANSPORT PLANNING

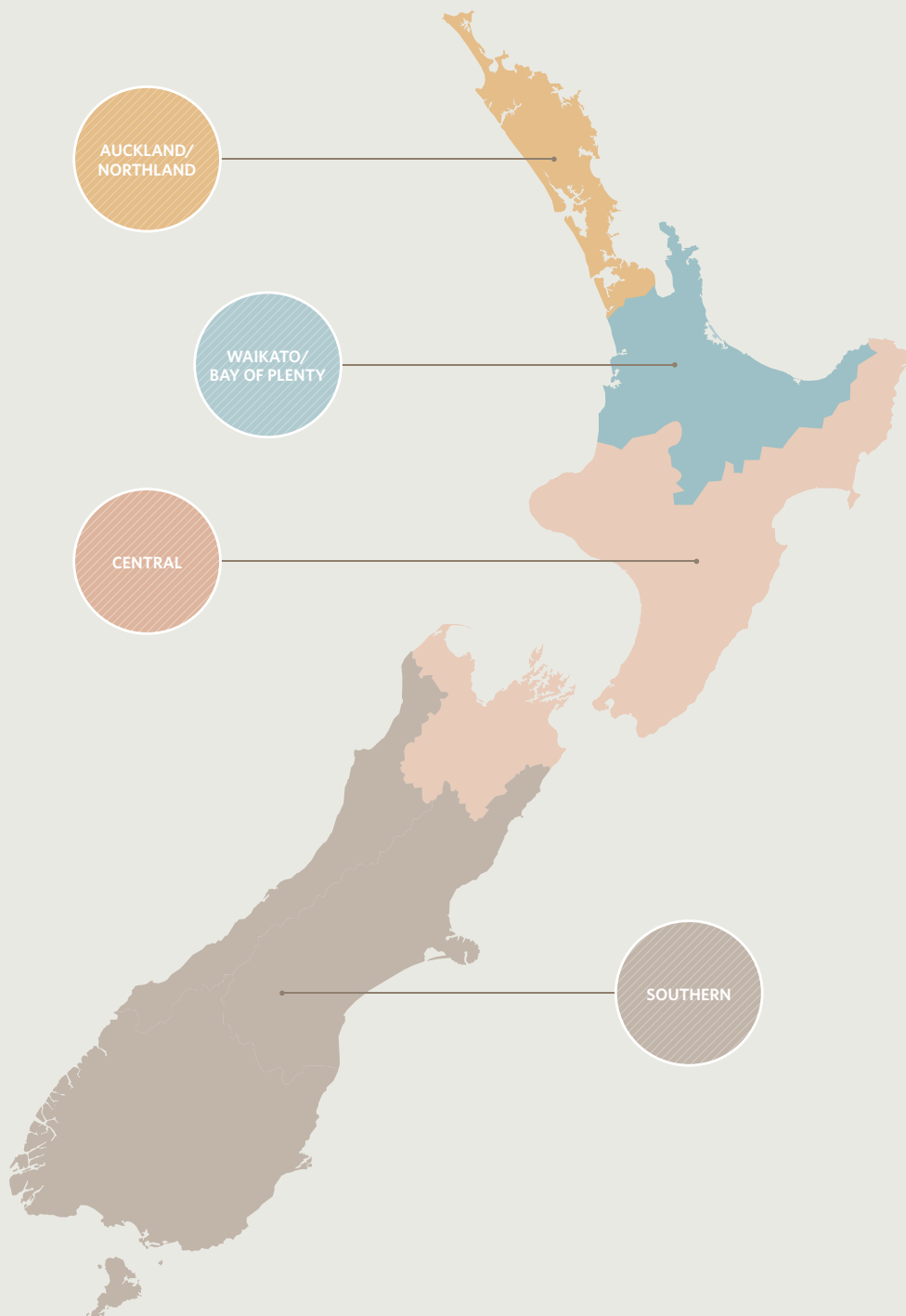


### MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM



## REGIONAL NLTF INVESTMENT HIGHLIGHTS

The NLTF, via the 2012-15 NLTP, has invested in a targeted manner across New Zealand. Significant regional investment highlights for the year ended 30 June 2013 are detailed below.



## AUCKLAND AND NORTHLAND REGION

The Transport Agency's Auckland/Northland region covers the top of the North Island - everything north of the Bombay Hills.



### NORTHLAND

The 2012-15 NLTP investment in the Northland region (\$291 million) is focused on maintaining the region's extensive network in resilient condition, to enable its far-flung residents to travel safely and freight to move efficiently.

- › 19 deaths in the Northland region in 2012/13, and 118 serious injuries. Overall this is a 13% increase from 2011/12.
- › 12,700 lane kms currently maintained in the Northland region, including local roads and state highways.
- › 305,737 trips were taken by bus, almost exactly the same as the previous year.

#### INVESTMENT HIGHLIGHTS 2012/13

Lower Hatea Bridge completed.

Two bridges on the Hikurangi to Portland route (State Highway 1) are being strengthened to open access for high productivity motor vehicles (HPMV). This route is part of the strategic HPMV network being delivered over the next two years.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>NORTHLAND TOTAL</b>	<b>86,153</b>
New and improved infrastructure for state highways	11,111
Renewal, maintenance and operation of state highways	34,715
New and improved infrastructure for local roads	9,873
Renewal, maintenance and operation of local roads	28,687
Public transport services	524
Other*	1,243

\* Other includes: road safety, transport planning, and walking and cycling activities.



## AUCKLAND

The 2012-15 NLTP investment in the Auckland region (\$3,154 million) is focused on making it increasingly easier for commuters to move around Auckland and enabling more efficient freight movements.

- › 47 deaths in the Auckland region in 2012/13, and 395 serious injuries. Overall, this is an 8% increase from 2011/12.
- › 15,700 lane kms currently maintained in the Auckland region, including local roads and state highways.
- › 53,529,916 bus trips and 10,038,806 train trips were taken, while a further 5,506,218 trips were taken by ferry. Bus patronage was 2.2% down on the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

Progress was made on the Puhoi to Wellsford road of national significance with lodging for planning approval from the Environmental Protection Authority being sought after extensive planning work.

Completion of Newmarket Viaduct - this work on Auckland's busiest stretch of motorway will reduce congestion through the central motorway junction.

Progress was made on a suite of projects on the Western Ring Route:

- › The Waterview tunnel
- › The causeway between Waterview and Patiki
- › Te Atatu Interchange
- › Lincoln Road Interchange
- › St Lukes Road Interchange.

State Highway 1 Constellation Drive to Greville Road northbound three-laning, design funding.

Albany Highway (Sunset Road to SH18).

Dominion Road corridor upgrade.

North Shore - Albany highway corridor upgrade.

Auckland Manukau Eastern Transport Initiative (AMETI).

Panmure bus and rail station.

Mt Albert Rail Station upgrade.

Walking and cycling related projects as part of the Central Motorway connection.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>AUCKLAND TOTAL</b>	<b>914,757</b>
New and improved infrastructure for state highways	445,559
Renewal, maintenance and operation of state highways	91,489
New and improved infrastructure for local roads	98,249
Renewal, maintenance and operation of local roads	83,620
Public transport infrastructure	39,751
Public transport services	146,359
Other*	9,730

\* Other includes: road safety, transport planning, and walking and cycling activities.

## WAIKATO AND BAY OF PLENTY REGION

The Waikato/Bay of Plenty region reaches from the bottom of the Bombay Hills to the Desert Road summit, from just south of Mokau in the west, through the Waioeka Gorge near Opotiki, and midway along the Taupo-Napier Road.



### WAIKATO

The 2012–15 NLTP investment in the Waikato region (\$1,163 million) focuses on improving the efficiency and safety of Waikato's roading network, maximising freight movements and reducing deaths and serious injuries on the roads.

- › 59 deaths in the Waikato region in 2012/13, and 294 serious injuries. Overall this is a 1% decrease from 2011/12.
- › 21,500 lane kms currently maintained in the Waikato region, including local roads and state highways.
- › 5,039,324 trips were taken by bus, a 1.1% decrease compared to the previous year.

#### INVESTMENT HIGHLIGHTS 2012/13

Completion of the State Highway 1 Atiamuri Bridge project in the South Waikato. This project unlocks economic and tourism opportunities, in particular, and enables a key high productivity route servicing the forestry sector, and providing journey time reliability.

Opening of the Te Rapa section of the Waikato Expressway. This resulted in immediate travel time savings of around four minutes for users of both the state highway and local road networks, as well as enabling development of significant areas of new industrial and commercial land in North Hamilton.

Continuation of the construction of the Ngaruawahia section, and commencement of the Cambridge/Tamahere and Rangiriri sections of the Waikato Expressway.

Good progress was made on the Hamilton City Ring Road project, which is a key component of the Access Hamilton Strategy and the Waikato Expressway Network Plan, improving transport outcomes for all modes in the Hamilton network.

Work continued on optimising the region's public transport network with the aim of making it more efficient and effective. In excess of five million passengers used public transport across the region.

NLTP investment was made by both the Transport Agency and councils to deliver safety improvements works, both large and small. Key projects included; development of the Coromandel motorcycle demonstration project and the implementation of audio-tactile centre-line roadmarking on the strategic state highway corridors to reduce the risk of loss of control and head-on crashes.

2012/13 NLTP INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>WAIKATO TOTAL</b>	<b>293,171</b>
New and improved infrastructure for state highways	152,427
Renewal, maintenance and operation of state highways	69,299
New and improved infrastructure for local roads	11,485
Renewal, maintenance and operation of local roads	50,052
Public transport infrastructure	50
Public transport services	7,798
Other*	2,060

\* Other includes: road safety, transport planning, and walking and cycling activities.





## BAY OF PLENTY

The opening of the Tauranga Harbour Link project in The 2012-15 NLTP investment in the Bay of Plenty region (\$580 million) is focused on enabling the roading network to meet the demands of heavy vehicles using the Port of Tauranga, contribute to safe journeys for all road users, and be resilient to natural hazards.

- › 23 deaths in the Bay of Plenty region in 2012/13, and 137 serious injuries. Overall this is an 18% decrease from 2011/12.
- › 8,900 lane kms currently maintained in the Bay of Plenty region, including local roads and state highways.
- › 2,854,444 trips were taken by bus, almost exactly the same as the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

Good progress continued on the construction of the Tauranga Eastern Link (TEL) project; one of seven roads of national significance.

Supporting the TEL project, the investigation phase of the Maunganui-Girven and Te Maunga intersections neared completion.

Investigation continues on finding a preferred route for the Tauranga Northern Link, a route which in the longer term will provide an essential freight linkage between the Hauraki-Coromandel and the Western Bay of Plenty.

Significant transport planning activity was undertaken to develop a strategic transport network for Tauranga. This work will support and inform the review of the Smartgrowth strategy (including the Tauranga Urban Network Study), preparation of the Tauranga Transport Strategy and progress on the investigation phases for the SH29 Tauriko project and the Tauranga Northern Link.

Funding was approved to enable integration of Tauranga school bus passengers onto the public transport network in preparation of the withdrawal of the Ministry of Education funded services.

Work continued on addressing route security issues in the Eastern Bay of Plenty. Investigation continues on the Pekatahi Bridge across the Whakatane River and also at a number of other locations along SH2 between Whakatane and Opotiki.

The Transport Agency's Board provided support for the Rotorua Integrated Network Strategy, which identified three strategic transport corridors in the district. One, which the district has identified as a long-term priority, is the Rotorua Eastern Arterial which will provide longer-term transport options and connectivity to the Eastern and Western Bay of Plenty sub-regions.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>BAY OF PLENTY TOTAL</b>	<b>166,533</b>
New and improved infrastructure for state highways	82,016
Renewal, maintenance and operation of state highways	49,436
New and improved infrastructure for local roads	6,346
Renewal, maintenance and operation of local roads	22,746
Public transport infrastructure	56
Public transport services	4,895
Other*	1,038

\* Other includes: road safety, transport planning, and walking and cycling activities.

## CENTRAL REGION

The Central region stretches up from the top of the South Island (Nelson, Tasman and Marlborough) to the southern and central North Island, reaching across Taranaki, Manawatu-Whanganui, Wellington, to the Hawke's Bay and Gisborne.



### GISBORNE

The 2012–15 NLTP investment in the Gisborne region (\$114 million) is focused on improving key linkages to the Port of Gisborne to support forestry in the region, and improving route resilience and security for both local road users and loggers.

- › 11 deaths in the Gisborne region in 2012/13, and 15 serious injuries. Overall this is a 4% increase from 2011/12.
- › 3,600 lane kms currently maintained in the Gisborne region, including local roads and state highways.
- › 157,008 trips were taken by bus, almost exactly the same as the previous year.

#### INVESTMENT HIGHLIGHTS 2012/13

Detailed HPMV investigation has shown that significantly less investment is required than originally anticipated to implement the forest to port route.

Worked with Gisborne District Council on developing a joint approach to road maintenance, which is expected to generate significant efficiencies and deliver a better service to customers.

Gisborne District Council programme is primarily focused on the core business of maintenance and operations, renewals, minor improvements and bridge strengthening.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>GISBORNE TOTAL</b>	<b>32,293</b>
New and improved infrastructure for state highways	949
Renewal, maintenance and operation of state highways	16,696
New and improved infrastructure for local roads	714
Renewal, maintenance and operation of local roads	13,461
Public transport infrastructure	9
Public transport services	183
Other*	281

\* Other includes: road safety, transport planning, and walking and cycling activities.



## HAWKE'S BAY

The 2012-15 NLTP investment in the Hawke's Bay region (\$202 million) is focused on improving freight links between industrial growth areas, the wider region and the Port, and encouraging transport choice through a pilot walking and cycling programme.

- › 10 deaths in the Hawke's Bay region in 2012/13, and 77 serious injuries. Overall this is a 22% decrease from 2011/12.
- › 8,600 lane kms currently maintained in the Hawke's Bay region, including local roads and state highways.
- › 761,392 trips were taken by bus – 11.7% higher than the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

We continue to invest in model communities in Hastings. The focus of the work is on improving the connectivity of outer lying communities to Hastings CBD.

South of Te Mahanga passing lane and South of Paki Paki intersection passing lanes were both completed.

2012/13 NLTP INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$'000
<b>HAWKE'S BAY TOTAL</b>	<b>56,433</b>
New and improved infrastructure for state highways	3,072
Renewal, maintenance and operation of state highways	20,539
New and improved infrastructure for local roads	1,570
Renewal, maintenance and operation of local roads	28,176
Public transport infrastructure	10
Public transport services	2,095
Other*	981

\* Other includes: road safety, transport planning, and walking and cycling activities.



## MANAWATU-WHANGANUI

The 2012-15 NLTP investment in the Manawatu-Whanganui region (\$250 million) focuses on improving the efficiency of moving freight, maintaining the network to a high standard and improving its safety, resilience and security.

- › 23 deaths in the Manawatu/ Whanganui region in 2012/13, and 124 serious injuries. Overall this is a 19% decrease from 2011/12.
- › 15,000 lane kms currently maintained in the Manawatu/ Whanganui region, including local roads and state highways.
- › 1,620,202 trips were taken by bus – slightly lower (0.9%) than the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

SH2 Papatawa Realignment is now open to traffic, with the majority of construction complete.

SH2 Corby Road Realignment was completed.

SH1 Waiauti realignment and right turn bay were completed.

2012/13 NLTP INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$'000
<b>MANAWATU-WHANGANUI TOTAL</b>	<b>75,132</b>
New and improved infrastructure for state highways	8,825
Renewal, maintenance and operation of state highways	22,248
New and improved infrastructure for local roads	2,941
Renewal, maintenance and operation of local roads	38,139
Public transport infrastructure	73
Public transport services	2,266
Other*	640

\* Other includes: road safety, transport planning, and walking and cycling activities.

## CENTRAL REGION CONTINUED



### TARANAKI

The 2012–15 NLTP investment in the Taranaki region (\$177 million) targets efficient freight movement in this productive area, and relieves congestion through public transport and a pilot walking and cycling programme.

- › 15 deaths in the Taranaki region in 2012/13, and 61 serious injuries. Overall this is a 13% decrease from 2011/12.
- › 6,300 lane kms currently maintained in the Taranaki region, including local roads and state highways.
- › 556,017 trips were taken by bus – 2.3% higher than the previous year.

#### INVESTMENT HIGHLIGHTS 2012/13

Design work for the Waiwhakaiho Basin improvements (Vickers to City) has been tendered and is in progress and community consultation has taken place.

A suite of safety improvements have been implemented at the Normanby Overbridge and around the South Taranaki area.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>TARANAKI TOTAL</b>	<b>50,581</b>
New and improved infrastructure for state highways	2,578
Renewal, maintenance and operation of state highways	29,213
New and improved infrastructure for local roads	924
Renewal, maintenance and operation of local roads	14,554
Public transport infrastructure	40
Public transport services	1,124
Other*	2,148

\* Other includes: road safety, transport planning, and walking and cycling activities.



## WELLINGTON

The 2012-15 NLTP investment in the Wellington region (\$1,389 million) is focused on relieving congestion, enhancing public transport efficiency and improving the safety and resilience of key economic links across Wellington's transport network.

- › 12 deaths in the Wellington region in 2012/13, and 128 serious injuries. Overall this is a 31% decrease from 2011/12.
- › 8,000 lane kms currently maintained in the Wellington region, including local roads and state highways.
- › 23,613,394 bus trips and 11,355,403 train trips were taken, while a further 192,549 trips were taken by ferry. Bus patronage was 1.7% down on the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

A number of high profile nationally significant projects have advanced:

- › Wellington Northern Corridor roads of national significance package is being delivered with approval of the SH1 MacKays to PekaPeka Expressway, and consents for PekaPeka to Ōtaki lodged with the Environmental Protection Authority.
- › The Transmission Gully project is progressing well as is the Public Private Partnership (PPP) procurement process. However, we'll only progress Transmission Gully as a PPP if it is demonstrated that this provides value for money than would be expected under a conventional procurement approach. We'll know this once tenders close in October. We will then announce the successful consortium in early 2014 and have construction underway late next year, with a safe and resilient road open for traffic in 2020.

Investment in 35 new Matangi trains and upgrades to the existing 43 units increasing the overall capacity of the Wellington passenger rail fleet.

Refurbishment of train carriages for use on the Wairarapa rail service.

The safety works for the Terrace and Mt Victoria tunnels were completed.

The Network Operating Framework process was commenced with Wellington City Council and Greater Wellington to develop a Network Operating Plan for Wellington City.

Paekakariki intersection upgrade and resurfacing completed.

Otaihanga roundabout safety improvement commenced.

Notice of Requirement and resource consent applications lodged with the Environmental Protection Authority for the Basin Bridge project.

Study on Petone to Ngauranga cycle and pedestrian improvements commenced.

Wellington state highway network structures were assessed as HPMV compliant.

Tawa shared path (walking/cycling route) was substantively completed including an improved rail crossing.

Network resilience improvements were completed to minimise risk at critical vulnerable sites in Ngaio Gorge and Churchill Drive.

Continuing preventative maintenance and emergency works on Cape Palliser Road in South Wairarapa to provide network resilience and connectivity in the region.

Resource consent approved for the construction for the replacement of Manawa Bridge No.3.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>WELLINGTON TOTAL</b>	<b>216,195</b>
New and improved infrastructure for state highways	98,974
Renewal, maintenance and operation of state highways	26,139
New and improved infrastructure for local roads	4,923
Renewal, maintenance and operation of local roads	31,481
Public transport infrastructure	1,841
Public transport services	50,330
Other*	2,507

\* Other includes: road safety, transport planning, and walking and cycling activities.



## CENTRAL REGION CONTINUED



### NELSON

The 2012–15 NLTP investment in the Nelson region (\$54 million) focuses on safety, route efficiency and alternative transport mode choices.

- › 10 deaths in the Nelson, Tasman and Marlborough regions in 2012/13, and 49 serious injuries. Overall this is a 21% decrease from 2010/11.
- › 500 lane kms currently maintained in the Nelson region, including local roads and state highways.
- › 351,685 trips were taken by bus, which is 167.7% higher than the previous year's patronage.

#### INVESTMENT HIGHLIGHTS 2012/13

Invested \$14 million in a programme of improvements which will encourage safer journeys by cyclists and pedestrians.

Design work on SH6 Rai Saddle safety improvements undertaken.

Initiated a package of projects to significantly improve the efficiency of the Waimea Road corridor. The first project to improve the Waimea/Motueka Street Intersection commenced.

Maitai shared path improvement project commenced.

Commenced a three-year programme to significantly improve shared path lighting at specific locations to improve personal security.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$'000
<b>NELSON TOTAL</b>	<b>7,706</b>
New and improved infrastructure for state highways	651
Renewal, maintenance and operation of state highways	2,932
New and improved infrastructure for local roads	400
Renewal, maintenance and operation of local roads	2,825
Public transport services	414
Other*	484

\* Other includes: road safety, transport planning, and walking and cycling activities.



## TASMAN

The 2012-15 NLTP investment in the Tasman region (\$76 million) is focused on maintaining a safe and resilient network, which provides route security for tourism and freight movement, and keeps local communities safe and connected.

- › 10 deaths in the Nelson, Tasman and Marlborough regions in 2012/13, and 49 serious injuries. Overall this is a 21% decrease from 2010/11.
- › 3,100 lane kms currently maintained in the Tasman region, including local roads and state highways.

### INVESTMENT HIGHLIGHTS 2012/13

Innovation in the reinstatement of storm damaged sections of Totaranui Road produced significant cost savings.

Birds Hill (SH60) reinstatement completed following weather event.

Joint work between the Transport Agency and the Tasman District Council to protect a vulnerable section of SH65 was completed.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$'000
<b>TASMAN TOTAL</b>	<b>23,170</b>
New and improved infrastructure for state highways	364
Renewal, maintenance and operation of state highways	14,856
New and improved infrastructure for local roads	489
Renewal, maintenance and operation of local roads	7,255
Other*	206

\* Other includes: road safety, transport planning, and walking and cycling activities.

## MARLBOROUGH

The 2012-15 NLTP investment in the Marlborough region (\$65 million) focuses on improving the HPMV capability of Marlborough's roads to improve the efficiency of freight movements, while continuing investment in maintenance should retain current levels of service, safety and route security.

- › 10 deaths in the Nelson, Tasman and Marlborough regions in 2012/13, and 49 serious injuries. Overall this is a 21% decrease from 2010/11.
- › 4,400 lane kms currently maintained in the Marlborough region, including local roads and state highways.
- › 25,149 trips were taken by bus, 5.8% higher than in the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

Progressed Grovetown safety improvements.

Reinstatement of transport networks affected by weather events.

Replacement of Pine Valley No 2 Bridge.

Approval of Dashwood Overbridge replacement.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$'000
<b>MARLBOROUGH TOTAL</b>	<b>15,617</b>
New and improved infrastructure for state highways	876
Renewal, maintenance and operation of state highways	8,460
New and improved infrastructure for local roads	331
Renewal, maintenance and operation of local roads	5,641
Public transport services	143
Other*	166

\* Other includes: road safety, transport planning, and walking and cycling activities.

## SOUTHERN REGION

The Southern is the largest of the Transport Agency's four regions, embracing all of the South Island except Nelson, Tasman and Marlborough.



### CANTERBURY

The 2012–15 NLTP investment in the Canterbury region (\$689 million) is mainly focused on growing Canterbury and supporting the recovery of Christchurch, while continuing to support Canterbury's resilient export sector by maintaining and enhancing strategic freight routes.

- › 37 deaths in the Canterbury region in 2012/13, and 278 serious injuries. Overall this is a 7% decrease from 2011/12.
- › 29,400 lane kms currently maintained in the Canterbury region, including local roads and state highways.
- › 13,417,358 bus trips and 112,480 ferry trips were taken. Bus patronage increased by 18.2% from the previous year.

The past two years have been challenging for the greater Christchurch sub-region as the transition from the response phase immediately after the February 2011 earthquakes to building momentum in the recovery phase. The infrastructure rebuild programme is now close to the full annual delivery programme necessary to restore levels of service by the end of 2016. Over \$110 million was invested as part of the reinstatement programme following the Canterbury earthquakes.

The Christchurch RoNS programme was accelerated during this period, especially the Western Corridor in order to ensure the network is able to manage the changed traffic patterns following the earthquakes.

#### INVESTMENT HIGHLIGHTS 2012/13

Christchurch Southern Motorway Stage 1 completed ahead of schedule and below budget.

Good progress was made on the State Highway 1 Western Corridor:

- › Construction substantially complete on four-laning Avonhead Road to Yaldhurst Road.
- › Construction of the Yaldhurst Road to Waterloo Road and the Saywers Arms Road to Harewood Road sections.
- › Funding was approved for four-laning other sections of the Western Corridor.

Designation and resource consents are currently being considered by the Environmental Protection Authority for the Christchurch Southern Motorway Stage 2.

Designation application has been lodged for the Northern Arterial.

Completion of the Orari south SH1 passing lanes.

Funding for the structural upgrades to two important bridges was approved. These are: the old Waitaki River bridges at Kurow and the full replacement of the Ferrymead Bridge (pre-earthquake funding had been approved to strengthen this bridge).

Construction funding approved for Waimakariri District Council Ashley River Bridge replacement (\$6 million).

Provided over \$110 million of financial assistance during 2012/13 for earthquake recovery works.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>CANTERBURY TOTAL</b>	<b>276,612</b>
New and improved infrastructure for state highways	97,033
Renewal, maintenance and operation of state highways	50,766
New and improved infrastructure for local roads	9,992
Renewal, maintenance and operation of local roads	94,514
Public transport infrastructure	49
Public transport services	21,565
Other*	2,693

\* Other includes: road safety, transport planning, and walking and cycling activities.



## WEST COAST

The 2012–15 NLTP investment in the West Coast region (\$106 million) concentrates on maintaining the good current condition of its key strategic roads, with a focus on route security and safety.

- › Four deaths in the West Coast region in 2012/13, and 28 serious injuries. Overall this is a 22% decrease from 2011/12.
- › 5,000 lane kms currently maintained in the West Coast region, including local roads and state highways.
- › 40,518 trips were taken by bus, 36.3% higher than in the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

Taramakau Bridge refurbishment (contribution to road-to-rail bridge refurbishment in conjunction with Kiwi Rail).

Installation of new guardrail on SH73 Starvation Point.

Completion of street works on High Street (SH6) in Greymouth.

Pedestrian crossing installed on SH67 in as part of this year's safety improvement programme.

Excellent response to emergency events affecting the coast.

Deck restoration work was undertaken at the SH6 Suspension Bridge.

Preventive maintenance work was undertaken at Kellys Creek adjacent to SH73.

Collaboration continues with Grey District Council on the national cycleway initiatives, resulting in some safety improvements at a number of bridges.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>WEST COAST TOTAL</b>	<b>39,156</b>
New and improved infrastructure for state highways	1,538
Renewal, maintenance and operation of state highways	28,244
New and improved infrastructure for local roads	451
Renewal, maintenance and operation of local roads	8,673
Public transport services	60
Other*	190

\* Other includes: road safety, transport planning, and walking and cycling activities.

## SOUTHERN REGION CONTINUED



### OTAGO

The 2012–15 NLTP investment in the Otago region (\$286 million) focuses on maintaining the efficiency, overall resilience and safety of the extensive network for individual road users and freight movers.

- › 14 deaths in the Otago region in 2012/13, and 168 serious injuries. Overall this is a 3% increase from 2011/12.
- › 17,900 lane kms currently maintained in the Otago region, including local roads and state highways.
- › 2,912,081 trips were taken by bus, 29.3% higher than in the previous year.

#### INVESTMENT HIGHLIGHTS 2012/13

Stage one of four-laning Glen Road to Caversham Valley was completed and work on stage two Caversham Valley to Lookout Point was well advanced.

Improvements to Clydevale Bridge commenced which will enable freight access by HPMVs.

The second stage of the Maia to St Leonards off-highway cycleway was completed.

We consulted with the public on the preliminary designs for the replacement Kawarau Falls Bridge and are considering the feedback that was received.

Completed the successful trial of public transport enhancement for the Wakatipu Basin.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$'000
<b>OTAGO TOTAL</b>	<b>86,651</b>
New and improved infrastructure for state highways	11,912
Renewal, maintenance and operation of state highways	30,941
New and improved infrastructure for local roads	2,770
Renewal, maintenance and operation of local roads	35,720
Public transport infrastructure	70
Public transport services	4,135
Other*	1,103

\* Other includes: road safety, transport planning, and walking and cycling activities.





## SOUTHLAND

The 2012–15 NLTP investment in the Southland region (\$166 million) focuses on maintaining the efficiency, overall resilience and safety of its extensive network for individual road users and the freight movement of its primary products.

- › Five deaths in the Southland region in 2012/13, and 66 serious injuries. Overall this is an 8% decrease from 2011/12.
- › 14,300 lane kms currently maintained in the Southland region, including local roads and state highways.
- › 310,531 trips were taken by bus, 21% higher than in the previous year.

### INVESTMENT HIGHLIGHTS 2012/13

Re-piling work on Tiwai Point Bridge.

Completion of the new portal on the east side of Homer Tunnel.

Construction of roundabout on the intersection of SH1 Tay Street and Ellis Road.

Invercargill public transport initial estimates of farebox recovery increasing from 27 to 34%.

Rural intersection active warning signs (RIAWS) were installed on SH1 at Kennington as part of an attempt to reduce serious crashes at this site.

2012/13 NLTF INVESTMENT IN THE REGION'S TRANSPORT SYSTEM	ACTUAL \$000
<b>SOUTHLAND TOTAL</b>	<b>46,732</b>
New and improved infrastructure for state highways	1,654
Renewal, maintenance and operation of state highways	24,492
New and improved infrastructure for local roads	1,394
Renewal, maintenance and operation of local roads	17,468
Public transport services	1,290
Other*	434

\* Other includes: road safety, transport planning, and walking and cycling activities.

## LOOKING FORWARD

The balance of the current 2012-15 NLTP will be delivered during the remaining two years of the programme. The overall expenditure was about 4% below the 2012/13 plan, due to under-delivery or under-spend across most activity groupings. The end of NLTP position is expected to be down 1% against the published NLTP and the expenditure target set out in the GPS.

The final overall spend in the 2012-15 NLTP will be dependent on both revenue flows into the NLTF and greater flexibility in the use of the short-term borrowing facility in the use of the short-term borrowing facility put in place to manage cash flow and revenue changes.

Actual revenue appears to be tracking the April 2013 forecast, but this is lower than the revenue forecast at the time the decision was made to increase FED and RUC by three cents per litre for three years from 2013/14.

The latest cash flow projections for the 2012-15 NLTP three-year period are shown in the graph below.

As shown, we expect to be in deficit at the end of the 2012-15 NLTP. We have the short-term borrowing facility to help us manage cash flows. The facility helps to accommodate seasonal and unexpected fluctuations and ensures we will be able to maintain delivery at the programmed level.

### 2012-15 NLTP FORECAST CLOSING POSITION

