

NATIONAL LAND TRANSPORT FUND ANNUAL REPORT

Provided to the Minister of Transport and presented to the House of Representatives pursuant to section 11 of the Land Transport Management Act 2003 and section 150 of the Crown Entities Act 2004

FOR THE YEAR ENDED 30 JUNE 2014



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SECTION A NLTF OVERVIEW



REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE

We are pleased to present the 2013/14 annual report for the National Land Transport Fund, as we complete the second year of the three-year 2012-15 National Land Transport Programme (NLTP).

The annual report provides information on how the National Land Transport Fund (NLTF) has been invested by the Transport Agency to create integrated transport solutions for a thriving New Zealand and how we continue to meet the goals outlined in the Government Policy Statement on Land Transport Funding.

The NLTP is a planning and investing partnership between the Transport Agency, local authorities, NZ Police and transport sector stakeholders. It contains all land transport activities – public transport, road safety policing and promotions, walking and cycling, and state highway and local road construction and maintenance.

The NLTP helps to create transport solutions for communities and businesses from Cape Reinga to Bluff, and targets investment in land transport to where it is most needed, reflecting a whole-of-life view to ensure that the best transport system is developed for the long-term benefit of New Zealanders. It does this through land transport investments that support productivity, economic growth and safety; as well as ensuring value for money while providing a range of travel choices for New Zealanders.

To achieve these objectives, the 2012-15 NLTP has a particular focus on rebuilding Christchurch after the earthquakes and on Auckland, where significant opportunities exist to increase the city's contribution to the country's economic growth.

The second year success of this National Land Transport Programme reflects the joined-up thinking that comes from working with our transport sector partners and stakeholders. We are increasingly working with local authorities and other stakeholders on the transport system to make the most of the NLTF investments in improving and maintaining state highways, local roads and public transport, and operating them as an integrated network.

We want to recognise the efforts of the Transport Agency's staff, our transport sector partners and stakeholders, who continue to strive to deliver the ambitious NLTP and deliver the benefits of our \$15.3b of collective investment in the land transport system.



Chris Moller

Chair

20 OCTOBER 2014

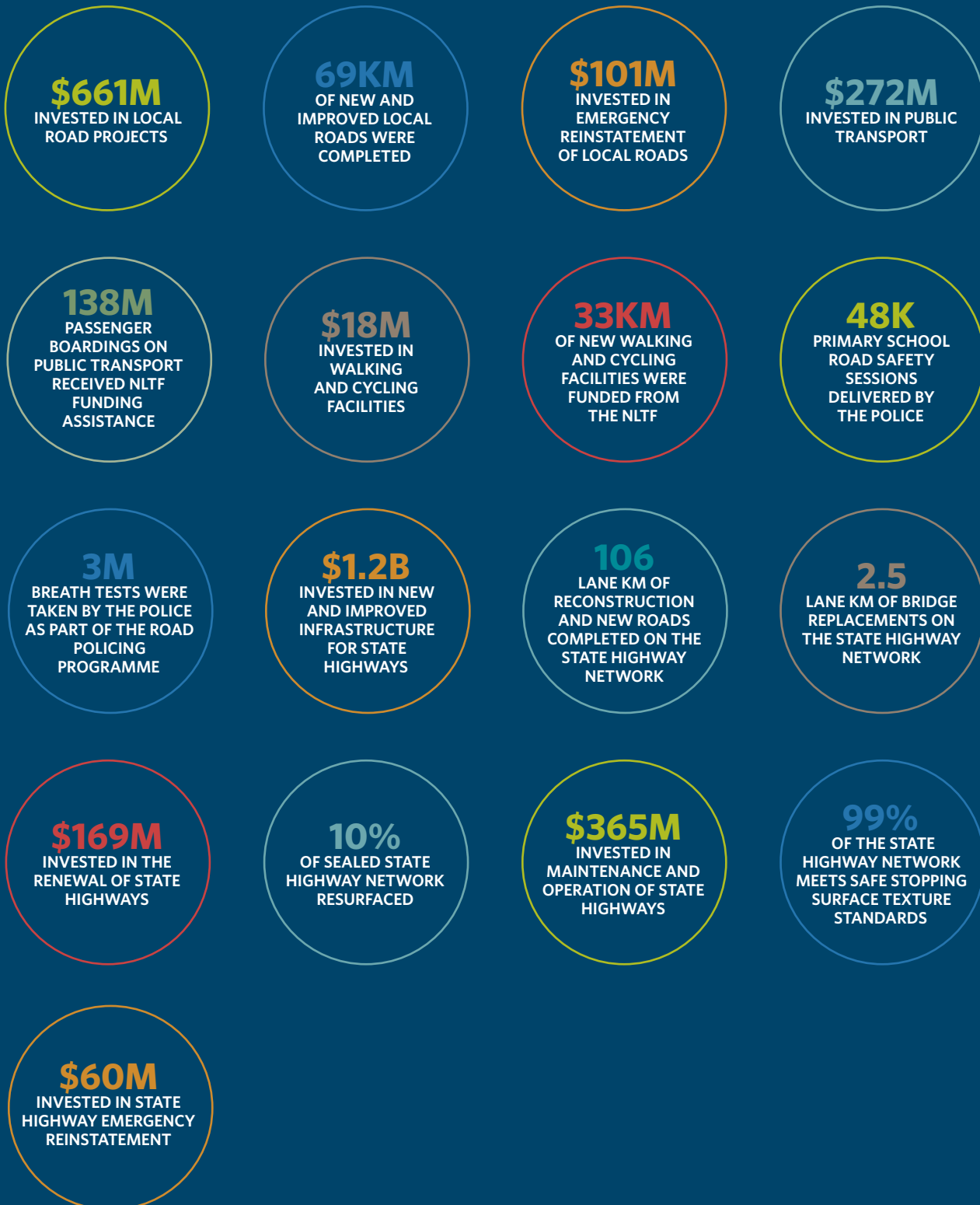


Geoff Dangerfield

Chief Executive

20 OCTOBER 2014

NLTF INVESTMENT PERFORMANCE 2013/14 AT A GLANCE



NATIONAL LAND TRANSPORT FUND

Links to Government Policy Statement on Land Transport Funding (GPS) outcomes



Guides NLTF investment activities

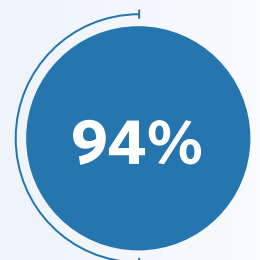
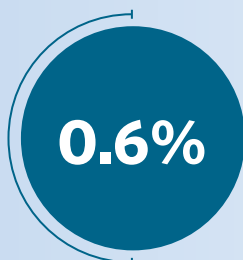
Investment strategy

- Strategic fit - investment aligned to GPS
- Effectiveness - investment has high degree of effectiveness
- Efficiency - investment has high degree of efficiency

Investment activities

- New infrastructure for state highways
- Road safety promotion
- Management of the funding allocation system
- Renewal of state highways
- Road Policing Programme (NLTF investment, but NZ Police output)
- Transport planning
- Maintenance and operation of state highways
- New and improved infrastructure for local roads
- Sector research
- Public transport
- Renewal of local roads
- Road tolling
- Administration of SuperGold cardholder scheme and enhanced public transport concessions for SuperGold cardholders
- Maintenance and operation of local roads
- Road-user charges collection, investigation and enforcement
- Walking and cycling
- Refund of fuel excise duty

Key facts and numbers



How we know we are making progress

... reflects how much less the Transport Agency has paid on contracts than the overall market during 2013/14

... increase in economic activity led to a 3.3% rise in heavy vehicle travel for the year ended 30 June 2014

... per 100 million vehicle kilometres travelled died or were seriously injured on our roads during the year ended March 2013/14 - the same as in the previous year, despite there being 1.7% more traffic

... of all kilometres travelled in New Zealand from 2010 to 2013 was by people using passenger vehicles. People travelling by public transport accounted for about 4% of all kilometres travelled.

OVERVIEW OF THE LAND TRANSPORT INVESTMENT SYSTEM

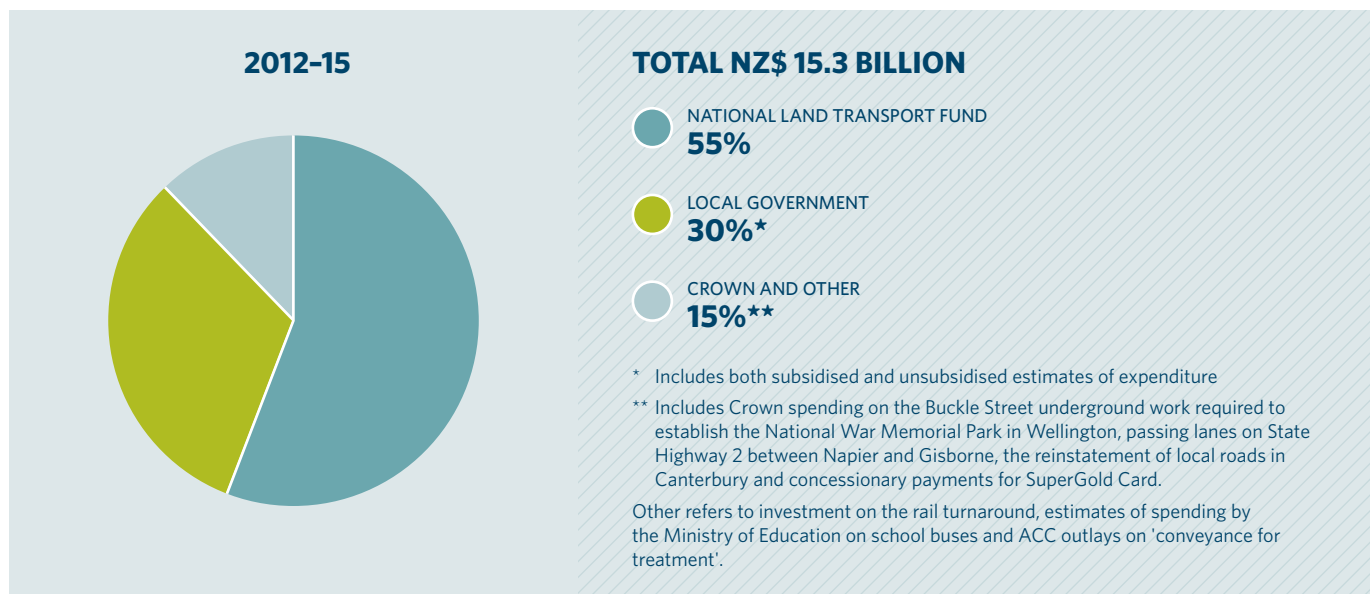
FUNDING TRANSPORT INVESTMENT

Total investment in the land transport system for the three years ending June 2015 is estimated to be about \$15.3bn. The National Land Transport Programme (NLTP) investment priorities account for \$11.7bn of this expenditure, with the remainder made up of unsubsidised spending by local authorities, eg works paid for by local rates, investment by government in rail and other transport initiatives, and contributions made by private developers to local roads.

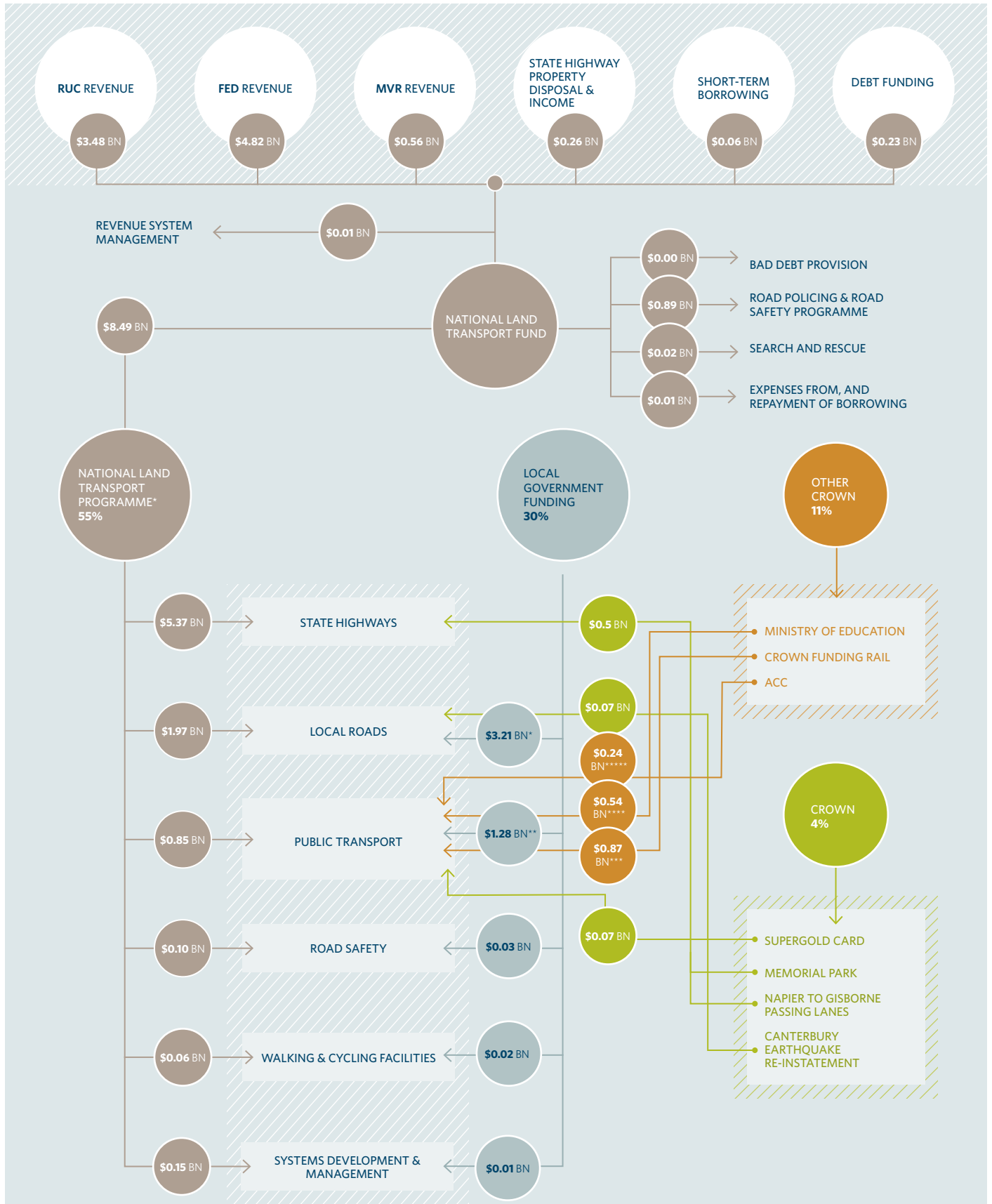
The ability of the NLTP to deliver depends on the extent to which actual revenues flowing into the NLTF match the forecast revenues that were used to inform the investment priorities within the NLTP. The extent to which these priorities may need to change reflects the degree to which actual revenues deviate from forecasts.

As at June 2014, NLTF revenue was 1.8% lower than what was forecast when the NLTP was published in 2012. Although this underperformance resulted in adjustments to investment priorities, the main components of the 2012-15 NLTP remain unaltered and will still be delivered within the available funding.

2012-15 ESTIMATED LAND TRANSPORT PUBLIC SECTOR INVESTMENT



FUNDING FOR 2012-15 NATIONAL LAND TRANSPORT PROGRAMME



* Made up of subsidised amount of NZ\$1.6bn plus an unsubsidised estimate of NZ\$1.6bn
 ** Made up of a subsidised amount of \$0.7bn plus an unsubsidised estimate of NZ\$0.58bn
 ** 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

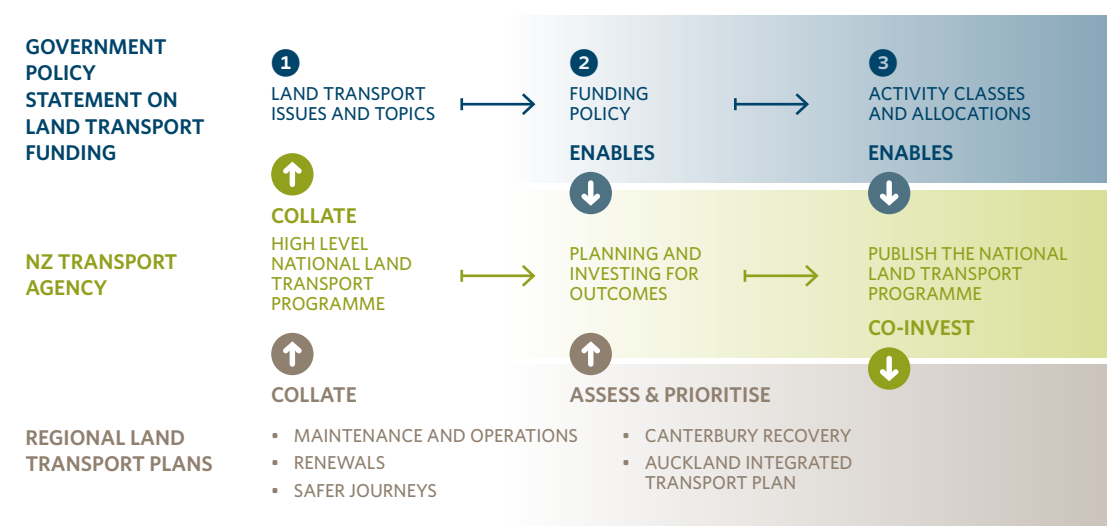
The Transport Agency's Investment and Revenue Strategy provides us with the framework to give effect to the Government Policy Statement on Land Transport Funding (GPS) as it invests the NLTF. The Investment and Revenue Strategy sets out the prioritisation framework that is used to manage the National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

The GPS is issued by the Minister of Transport and provides our sector with policy direction from the government on matters related to transport planning and investment.

The GPS identifies the key land transport issues for planning and funding from a central government perspective. It specifies the funding policies for the NLTF and how the NLTF 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 the activity 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 priorities 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:

- reducing deaths and serious injuries through the Safer Journeys road safety strategy (including the adoption of a Safe System approach)
- relieving congestion in major urban areas and improving journey time reliability
- optimising the land transport network and services
- improving key tourism and freight routes, including those for high-productivity motor vehicles (HPMVs)

- investing in transport planning, research and training that makes the greatest contribution to priorities
- encouraging integrated planning approaches.

In 2013/14, we revised the investment part of the strategy:

- We completed stage one of a review of the *Economic evaluation manual*. This included changes to the discount rate, evaluation period, handling of traffic growth and values of travel times across transport types, and inclusion of additional wider economic benefits. We have also consolidated the two previous volumes into one comprehensive *Economic evaluation manual*.

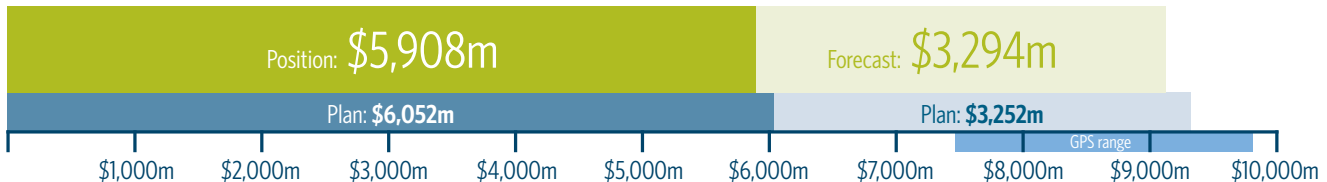
- We now use predicted crash risk in transport safety assessments as one component to assess whether a project fits strategically with our goals.

The government issued a draft GPS for 2015/16 to 2024/25 for consultation in mid-June 2014. We will revise our investment strategy for the 2015-18 NLTP in response to the new GPS.

For information on how our output classes contribute to the priority results in the GPS, refer to page 126 (how our outputs contribute to impacts).

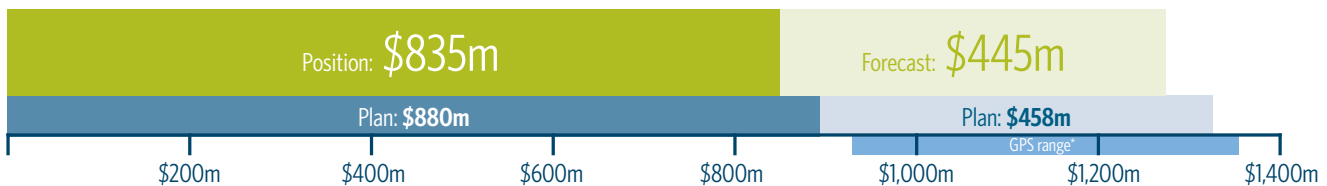
PROGRESS ON THE 2012-15 NATIONAL LAND TRANSPORT PROGRAMME

OVERALL NATIONAL LAND TRANSPORT PROGRAMME (NLTP)



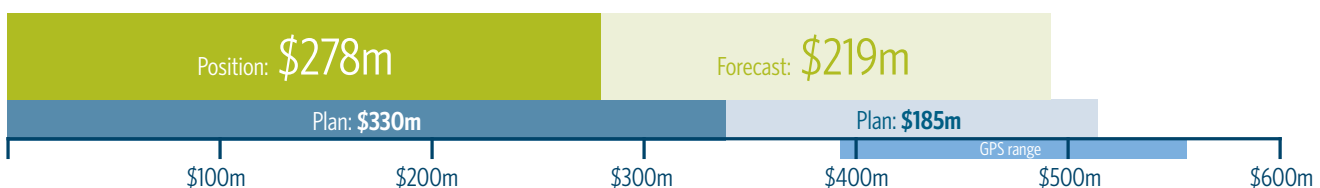
In the two years to 30 June 2014, actual expenditure in the 2012-15 NLTP was \$5.9 billion. Measured against the initial phasing of the NLTP, we are currently \$148 million or 2.4% behind programme. At the end of the 2012-15 NLTP, we expect to be down 1.1% (\$106m) against the published NLTP. This represents a \$24m improvement on the NLTP forecast at the end of 2012/13, however, we anticipate the final position to be down 3% against the revised NLTP, which incorporated the three cents per litre fuel excise duty (FED) and road user charges (RUC) increases (endorsed by Cabinet in November 2012) and higher than anticipated revenue from state highway property.

LOCAL ROADS RENEWALS, MAINTENANCE AND OPERATIONS (EXCLUDING EMERGENCY WORKS)



* adjusted for emergency works

LOCAL ROADS NEW AND IMPROVED INFRASTRUCTURE



Around \$835 million has been invested from the NLTF in local road renewals, maintenance and operations (excluding emergency works) to the end of 2013/14. This is approximately 5% below the NLTP plan for the two years, mainly due to the 5% underspend on renewals, with routine maintenance and operations expenditure almost on budget. The underspend in renewals is expected to continue through to the end of the 2012-15 NLTP as local authorities have transferred some renewal funds to routine maintenance and operations as they optimise their maintenance programmes.

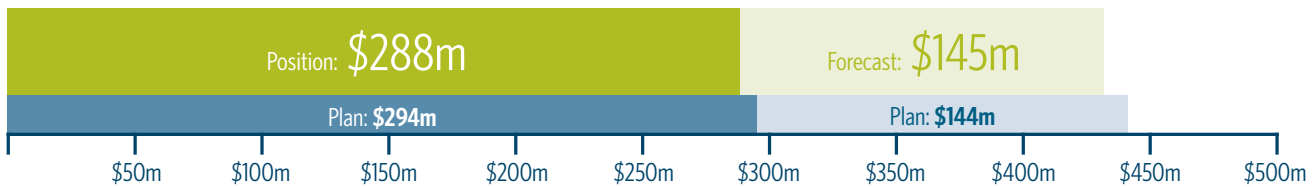
Local road improvements expenditure to the end of 2013/14 is down 16% on the published NLTP, because it is taking longer to deliver some projects than anticipated. Also the spend in Christchurch was about \$15 million lower than planned because the CBD improvements are taking longer than expected when the NLTP was developed.

Major investments in local roads:

- The Auckland Manukau Eastern Transport Initiative (AMETI) package of projects is well underway with the \$17.5 million Panmure station and bus interchange officially opened in January 2014, and the Otahuhu bus/train interchange and Manukau transport interchange both in the design phase.
- Significant progress has been made on the construction of the Hamilton Ring Road project. The Ring Road work includes the opening of the four-lane section across the Waikato River, construction of the four-lane section to Resolution Drive, and the Clyde Street section being opened up to traffic. Monitoring of traffic flows has identified significant benefits for road users, including cyclists and pedestrians who use the off-road facilities.

- The River Road/Raetihi-Pipiriki Road project opened, after seven years of construction. The network now provides a good level of service for tourists and locals.
- A \$10 million transport improvement package for Johnsonville has been approved.
- New traffic signals at the Waimea Road/Motueka Street intersection in Nelson have been installed as part of a series of improvements to enhance the efficiency of this key corridor.
- Strengthening of Tiwai Bridge in Invercargill is continuing.

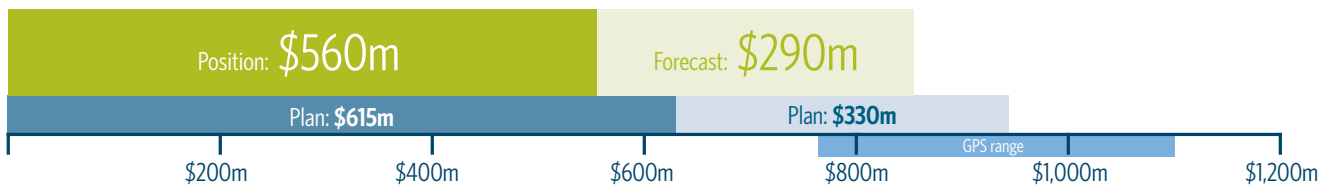
EMERGENCY WORKS (STATE HIGHWAYS AND LOCAL ROADS)



Emergency works expenditure across local roads and state highways was down approximately 2% on the NLTP budget. The \$50 million NLTF contribution to the Christchurch earthquake rebuild was fully spent. We anticipate a higher spend in 2014/15 in response to the recent Northland storms events and are forecasting expenditure at the end of the NLTP to be close to plan.

In addition to the NLTF investment, around \$78 million of central government and debt funding was contributed to the reinstatement of damaged roads in Christchurch in the first two years of the NLTP.

PUBLIC TRANSPORT



During the last two years, \$560 million was invested from the NLTF across all regional networks in public transport services, operations and infrastructure. Public transport expenditure is about 9% lower than planned, with public transport services down almost 8% and public transport infrastructure down almost 23%. The underspend reflects approved organisations delivering their services at lower cost than expected as well as slower delivery of service and infrastructure improvements in Auckland. The majority of this investment, close to 90%, was in Auckland, Wellington and Christchurch where demand is greatest. The end of NLTP position is forecast to be down 10% against the published NLTP.

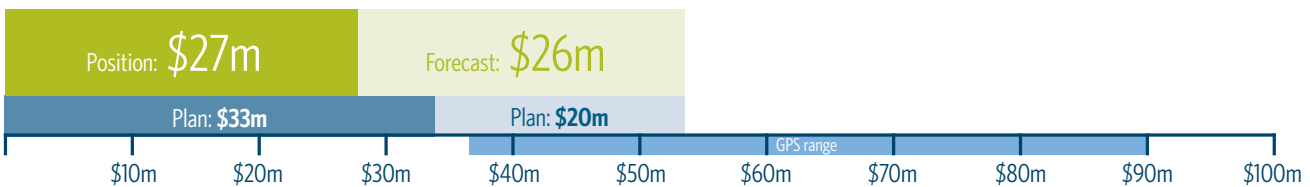
Investment in public transport infrastructure projects was prioritised and targeted to activities and areas that maximised our return on investment; particularly in Auckland, where our investment can relieve severe congestion and enable economic growth. Key investments in this activity class included:

- The first of Auckland Transport’s new electric trains arrived in mid-August 2013. They’re quieter, carry more passengers and provide shorter travel times than their predecessors.
- Integrated ticketing – Auckland Transport’s HOP card was introduced and is now almost fully implemented across bus, rail and ferry public transport services.
- Horizons Regional Council has undertaken a review of Palmerston North’s bus network and released the review document for public consultation. The review is aimed at improving customer service and increasing patronage.

- Greater Wellington, Wellington City Council and the Transport Agency completed the Wellington Public Transport Spine Study looking at the long-term options for public transport along the city’s growth spine.
- We continue to work with CERA and Christchurch City Council on the concept design for the new central city bus interchange. Design is due to be completed in May 2014.

As well as an increase in the level of our investment, public transport patronage has increased by 5.3 million (4%) to 138 million during the year across the country. This was not as great an increase as hoped, patronage was affected by recovery in Christchurch following the earthquake on 22 February 2011 and minimal patronage movement across the majority of other networks.

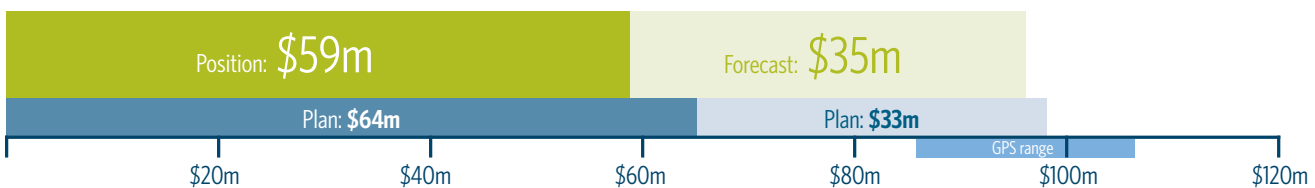
WALKING AND CYCLING FACILITIES



Walking and cycling expenditure is down by 18% against the published NLTP at the end of 2013/14. While this performance is not desirable, it is a substantial lift on the position at the end of 2012/13, when expenditure was around 38% below plan. The lift in delivery came mainly from state highway projects. The forecast spend for 2014/15 is higher again and is based on Auckland Transport having resolved some of the planning and programming issues that delayed some of its initiatives during 2013/14.

The most significant expenditure was based in Auckland with the continuation of the Central Motorway connection and the initiation of seven new cycle paths and corridor upgrades in the Auckland region. There were also significant investments made in Wellington, including investigating the Ngauranga to Petone cycle/walkway and constructing the Tawa Stream pathway, and in Dunedin the southern commuter routes were continued.

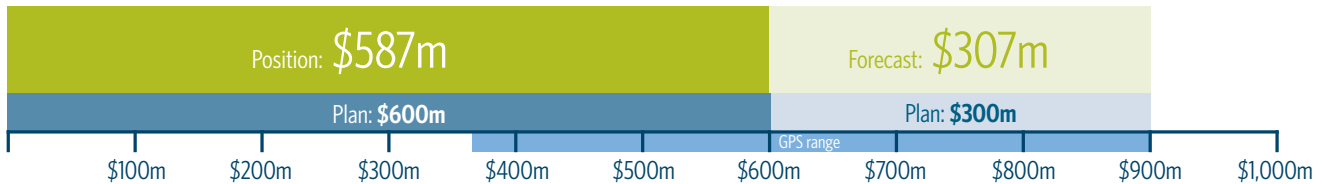
ROAD SAFETY PROMOTION



Approximately \$59 million has been invested to the end of 2013/14 in local government programmes and in nationally delivered activities that increase the safe and efficient use of the land transport system. The greatest proportion of spend was on raising awareness of the risks of driving impaired by alcohol or drugs, followed by speed, younger drivers, fatigue and distraction, and cycling safety.

Road safety promotion at the end of 2013/14 is down by approximately 8% against the published NLTP, due to slower than expected delivery of activities by approved organisations outside of Auckland. We expect a catch up of expenditure during 2014/15 and that the end of NLTP position will be \$2m down against plan.

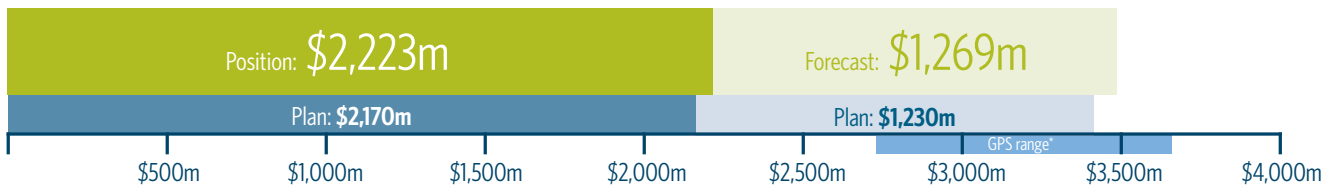
ROAD POLICING



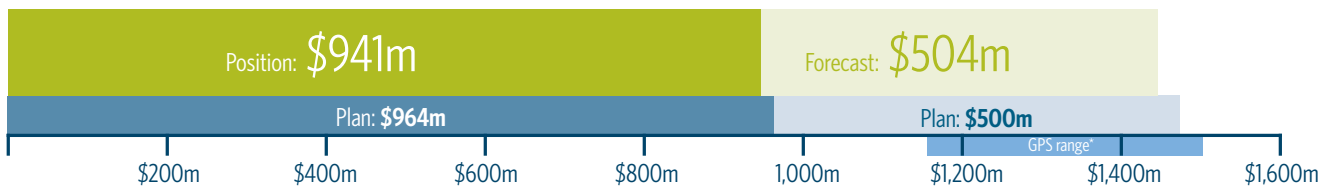
Investment in road policing amounted to \$587 million for the two years to the end of 2013/14, approximately 2% down against plan, and is forecast to be at the published NLTP level of \$900m as the new speed cameras are rolled out during 2014/15.

Key investments in this activity class included targeting high-risk drivers, young drivers, motorcycling, alcohol/drug-impaired driving, speed, traffic management, restraints, the heavy vehicle fleet including road user charges, roads and roadsides, the light vehicle fleet, walking and cycling, fatigue and distraction, older road users, and crash attendance and reporting. See pages 238 to 241 for further information.

STATE HIGHWAY NEW AND IMPROVED INFRASTRUCTURE



STATE HIGHWAY RENEWALS, MAINTENANCE AND OPERATIONS (EXCLUDING EMERGENCY WORKS)



* adjusted for emergency works

Investment in the new and improved infrastructure for state highways activity class amounted to \$2.22 billion for the two years to the end of 2013/14, approximately 2.4% ahead of plan, and is forecast to be 2.7% ahead of the published 2012-15 NLTP by the end of the three-year period. A number of high profile nationally significant projects have advanced:

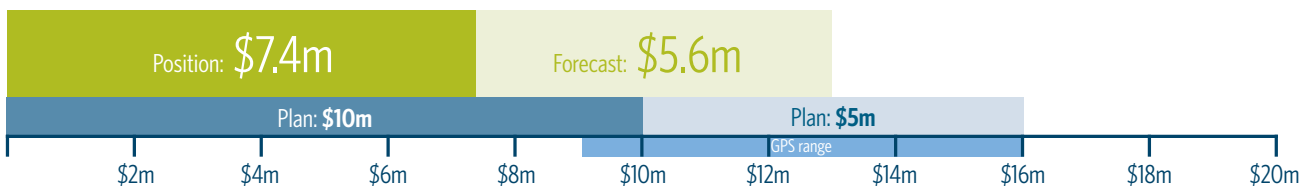
- Construction on the 2.4km Waterview tunnel started in November 2013. This \$1.4 billion project is a key project of the Western Ring Route road of national significance.
- Significant progress has been made on delivering the various sections of the Waikato Expressway, including the opening of the Ngāruawāhia section. Investment in this 10km, four-star route has reduced travel time by three minutes between the greater Hamilton area and Auckland. Construction is also well underway on the Rangiriri and Cambridge sections, while investigation and planning continues on the Hamilton and Huntly sections.

- The Wellington Northern Corridor is being delivered. Substantial progress has been made on the State Highway 1 Memorial Park project with major structural components, such as the roof slab, underway. Construction is well underway on the State Highway 1 MacKays to Peka Peka section of the Kāpiti Expressway. Ngauranga to Aotea Quay has been approved for construction at a cost of \$50m.
- Christchurch Motorways project: On the State Highway 1 Western Corridor, the Avonhead to Yaldhurst and Sawyers Arms to Harewood sections are complete, Yaldhurst to Waterloo is substantially complete and consents have been obtained for the Groynes to Sawyers Arms section (construction will start late in 2014). We also received consents for the Harewood to Avonhead section but are awaiting the outcome of appeals to the consents before construction can start in 2015. We have lodged a notice of requirement for the Western Belfast Bypass. Consent and designations for stage 2 (from stage 1 to Rolleston) of the Christchurch Southern Motorway have been granted and a contract has been let for the design works.
- Good progress is being made on transport solutions for upper North Island travel, with work progressing on a number of the constraints identified in the Upper North Island Freight Story, including enabling the high-productivity motor vehicle (HPMV) network between Auckland, Hamilton, Tauranga and Rotorua.

In addition, another \$941 million was spent on the renewals, maintenance and operation of the state highway network during the first two years of the 2012–15 NLTP. In 2013/14, this kept the state highways available 85% of the time. 10% of the sealed network was resurfaced, down from 11.5% in the previous year.

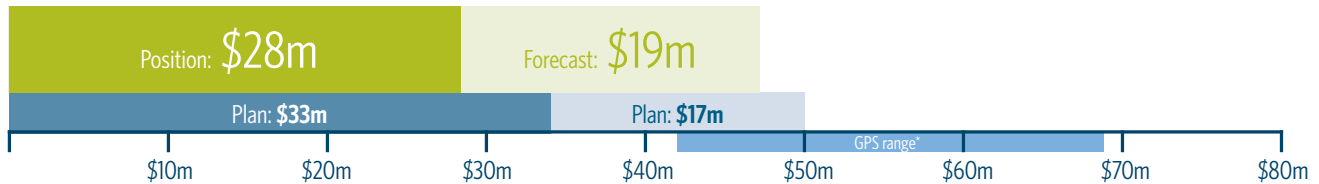
To the end of 2013/14, \$116 million was spent on emergency works, including the reinstatement of state highway infrastructure damaged during the Canterbury earthquakes.

SECTOR RESEARCH



Investment in the sector research output class amounted to \$7.4 million for the two years to the end of 2013/14, 26% down against the published NLTP and is expected to be 13% down by the end of the NLTP. The Transport Agency is managing the 2012–15 sector research activity class across the three years and is on target to expend the budget at the GPS midpoint allocation rather than the NLTP approved highpoint. The forecast research spend has been adjusted down based on the number of topics assessed as high priority for research and the resources available internally to manage their delivery.

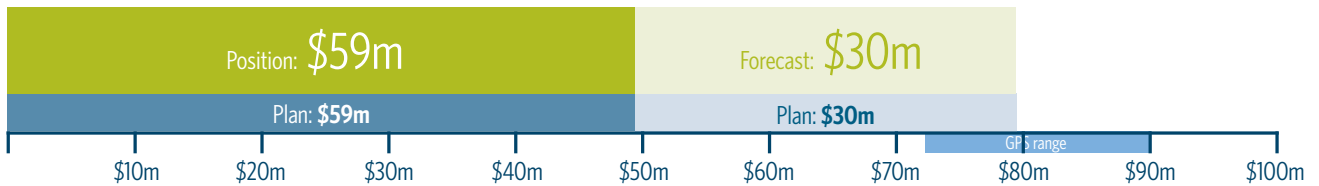
TRANSPORT PLANNING



The NLTF has invested \$28 million in the transport planning activity class over the two years, approximately 15% less than planned. NLTP spend is expected to be closer to plan as approved organisations look to improve their activity management plans during 2014/15 in the lead up to the 2015-18 NLTP.

The most significant investment was for transport planning activities in Auckland around the Auckland South Western airport multimodal planning, corridor management plans and the Transport Agency’s submission on the Auckland Unitary Plan. Other significant investments were local authority and state highway activity management planning.

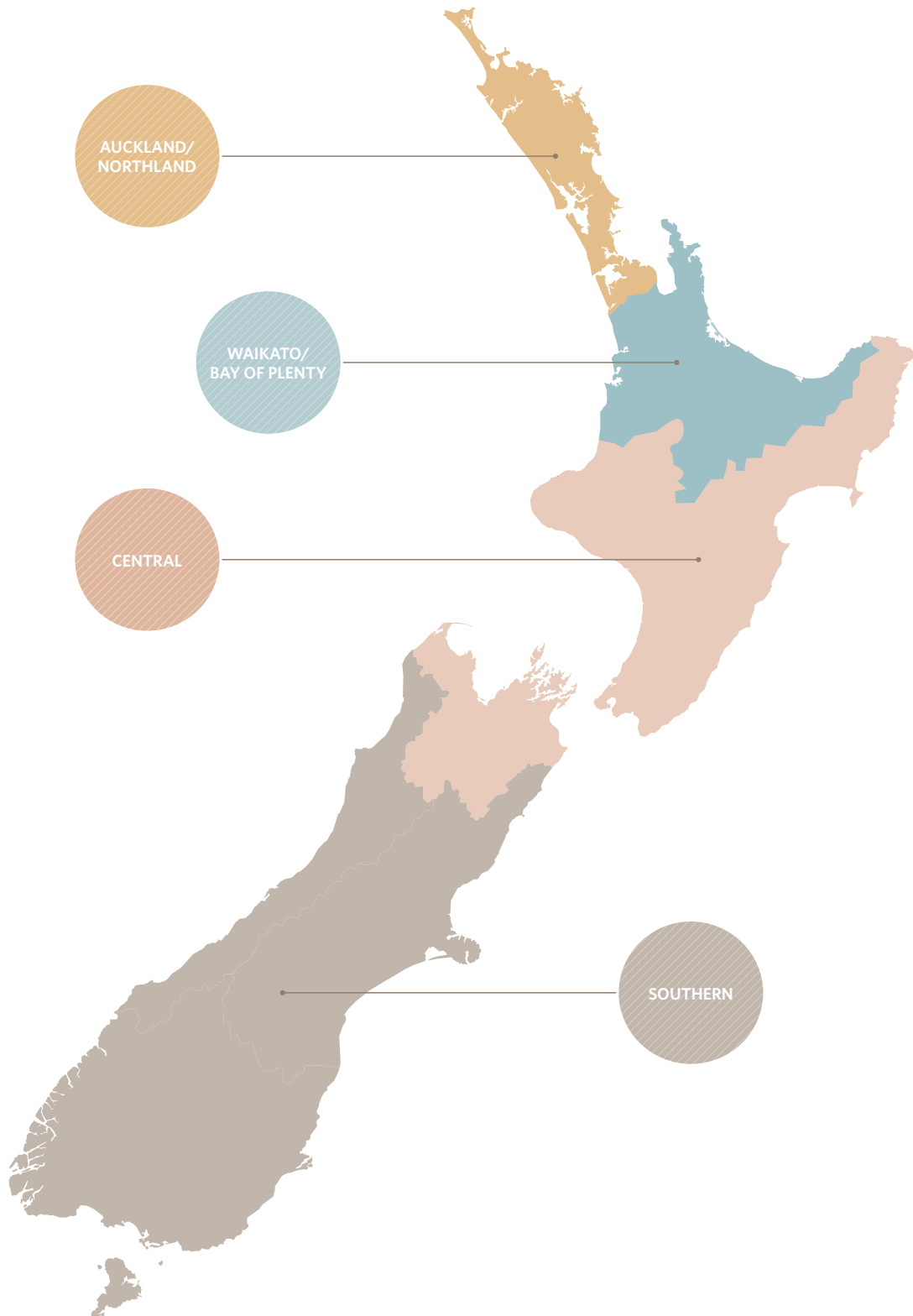
MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM



Expenditure on management of the funding allocation system is very close to the published NLTP and is forecast to remain so through to the end of the NLTP.

REGIONAL NLTF INVESTMENT HIGHLIGHTS

The NLTF, through the 2012-15 NLTP, has made targeted investments in transport across New Zealand. Regional investment highlights over the three-year programme are detailed below



AUCKLAND/NORTHLAND REGION

THE TRANSPORT AGENCY'S AUCKLAND/NORTHLAND REGION COVERS THE TOP OF THE NORTH ISLAND - EVERYTHING NORTH OF THE BOMBAY HILLS.



What we set out to achieve

2012-15 NLTP investment in Northland (\$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.

We said we'd invest in:

- renewing, maintaining and operating state highways and local roads
- consenting and designating the Pūhoi to Warkworth component of the Pūhoi to Wellsford road of national significance (RoNS)
- state highway and local road improvements targeted at addressing efficiency, safety and route resilience in flood-prone areas
- continuing road safety community programmes and road policing activity.

Key facts and numbers

- 20 deaths in Northland in 2013/14 and 109 serious injuries. Overall this is a 6% decrease from 2012/13.
- 12,700 lane kms currently maintained in Northland, including local roads and state highways.
- 323,553 trips were taken by bus, a 5.8% increase compared to the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Northland total	78,461
New and improved infrastructure for state highways	9,598
Renewal, maintenance and operation of state highways	33,942
New and improved infrastructure for local roads	4,069
Renewal, maintenance and operation of local roads	28,567
Public transport services	589
Other ^o	1,696

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Construction of Whangarei District Council's Lower Hatea Bridge was completed in July 2013, improving access to the port and bypassing the CBD.
- The SH1/SH14 intersection upgrade was completed in May 2014. These improvements are part of a programme that aims to improve efficiency and safety on State Highway 1 through Whangarei.
- Otaika Stream Bridge No. 85 and the Kauri Rail Overbridge have been upgraded (Dec 2013) to accommodate HPMVs.
- Whangarei District Council's 2012-15 walking and cycling application was approved in July 2014. The proposed improvements reflect two components of the cycleway strategy, which aims to provide a safe alternative for both recreational and commuter cyclists and pedestrians.
- The Pūhoi to Wellsford RoNS project is progressing well. The project team has submitted their application and evidence to the Environmental Protection Authority.

6%
DECREASE

20 deaths in Northland in 2013/14 and 109 serious injuries. Overall this is a 6% decrease from 2012/13.

12,700
LANE KMS

12,700 lane kms currently maintained in Northland, including local roads and state highways.



What we set out to achieve

In collaboration with Auckland Transport and other partners, the 2012-15 NLTP investment (\$3,154 million) set out to make it increasingly easier for commuters to move around Auckland and to make freight movements more efficient.

We said we'd invest in:

- constructing the Western Ring Route RoNS
- implementing the Auckland Manukau Eastern Transport Initiative (AMETI) – a 30-year, \$1.5 billion strategy, aimed at dealing with current traffic congestion, poor transport options and projected growth in an important retail, commercial and residential area
- improving the road network to enable greater access for HPMVs
- improving public transport modes, ie rail, bus and ferry services, including loan repayments for the 57 electric trains, station upgrades, and the introduction of integrated ticketing across all public transport.

Key facts and numbers

- 41 deaths in the Auckland region in 2013/14, and 431 serious injuries. Overall, this is a 7% increase from 2012/13.
- 15,600 lane kms currently maintained in the Auckland region, including local roads and state highways.
- 55,851,123 bus trips and 11,435,085 train trips were taken, while a further 5,109,947 trips were taken by ferry. Bus patronage was 4.3% up on the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Auckland total	1,061,520
New and improved infrastructure for state highways	596,631
Renewal, maintenance and operation of state highways	90,186
New and improved infrastructure for local roads	74,329
Renewal, maintenance and operation of local roads	107,520
Public transport infrastructure	11,697
Public transport services	157,980
Other ^o	23,177

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Construction commenced on the 2.4km Waterview tunnel and the SH16 Causeway Project, both part of the Western Ring Route RoNS. This will complete a major connection in the Auckland motorway network, releasing the efficiency benefits of previous investments over many years.
- The AMETI package of projects is well under way with the \$17.5 million Panmure bus/train interchange opened in January 2014 and the Otahuhu and Manakau interchanges in the design phase. These investments continue Auckland's investment in public transport to provide a quality customer experience, grow patronage and relieve traffic congestion.
- The first of Auckland Transport's world class new electric trains arrived in 2013. They're quieter, carry more passengers, and provide faster travel times than their predecessors.
- Auckland Transport's HOP card was introduced and is now implemented across bus, rail and ferry services, delivering convenient and seamless intermodal travel.
- Auckland Transport developed its Regional Public Transport Plan. To implement this and the Public Transport Operating Model, Auckland Transport developed and finalised a bus procurement strategy and developed a draft regional agreement aimed at improving the efficiency of bus services and improving connectivity for users.
- Route planning is under way for the Inner City Rail Loop, which will dramatically improve the functionality of Auckland's rail network and provide the scope for more frequent and efficient services.
- We have either committed or approved over \$20 million for walking and cycling projects. This will contribute to completing an integrated and connected cycle network and make cycling and walking safer in Auckland and an integral part of Auckland's transport future.
- The proposed Auckland Unitary Plan was notified on 30 September 2013. Our submission was lodged in February 2014, aimed at improving integration between land use and transport and ensuring that people have more transport choices.
- Agreement was reached to delegate funding authority to Auckland Transport for projects with a construction phase of up to \$5 million, improving AT's autonomy and ability to deliver investment where it's needed most.

7%

INCREASE

41 deaths in the Auckland region in 2013/14, and 431 serious injuries. Overall, this is a 7% increase from 2012/13.

15,600

LANE KMS

15,600 lane kms currently maintained in the Auckland region, including local roads and state highways.

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.



What we set out to achieve

The 2012-15 NLTP investment (\$1,163 million) aims to improve the efficiency, resilience and safety of the Waikato road network, as well as to support economic growth through the safe and efficient movement of freight.

We said we'd invest in:

- maintaining, operating and renewing local roads and state highways
- constructing the Waikato Expressway RoNS, including completing the Te Rapa, Ngāruawāhia sections and progressing the Rangiriri and Cambridge sections
- contributing to a number of other minor state highway improvements, as well as partnering with Hamilton City Council to develop the Hamilton Ring Road as part of the Waikato's integrated network
- replacing the Ātiamuri Bridge on State Highway 1 to improve freight efficiency by enabling access for HPMVs between Tokoroa and Taupō, while improving the safety and resilience of this route for all road users.

Key facts and numbers

- 41 deaths in the Waikato region in 2013/14, and 264 serious injuries. Overall this is a 14% decrease from 2012/13.
- 21,500 lane kms currently maintained in the Waikato region, including local roads and state highways.
- 5,149,350 trips were taken by bus, a 2.2% decrease compared to the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Waikato total	310,462
New and improved infrastructure for state highways	163,217
Renewal, maintenance and operation of state highways	69,199
New and improved infrastructure for local roads	13,239
Renewal, maintenance and operation of local roads	49,168
Public transport infrastructure	156
Public transport services	9,259
Other ^o	6,224

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Good progress is being made on transport solutions for key upper North Island journeys, including progressing work on a number of the constraints identified in the Upper North Island Freight Story and the development of a Safe System corridor approach on SH2 between Pōkeno and the Coromandel – a key tourist route in the region.
- The Ngāruawāhia section of the Waikato Expressway was opened and progress was made on other sections of the road. Investment in this 10km, four-star route has reduced travel time by three minutes between the greater Hamilton area and Auckland. Construction is well underway on the Rangiriri and Cambridge sections, while investigation and planning continues on the Hamilton and Huntly sections.
- To maximise the benefits of the Te Rapa section of the expressway, the 6km Limmer project was completed. This route provides a key freight link to State Highway 39 linking through to Taranaki.
- We have targeted historical black spots in the region. Construction work is well underway at the State Highway 1 and 5 intersection south of Tirau. The new roundabout is expected to be completed in time for the coming Christmas traffic. On State Highway 3 at Waitomo, temporary safety management remains in place until work can begin on the new intersection for the Waitomo Caves and the design phase has been completed on the intersection of State Highway 2 and 25.
- Construction works are well advanced on the southern Coromandel motorcycle project after successful engagement with the motorcycle community.
- As we target bridges on State Highway 1, State Highway 29 in the Bay of Plenty and State Highway 3 for strengthening, we expect greater freight efficiency on journeys through the region. This work will also allow 50MAX and full HPMV to operate.
- Hamilton City Council has made significant progress on the construction of the Hamilton Ring Road project. The Ring Road work includes the opening of the four-lane section across the Waikato River, construction of the four-lane section to Resolution Drive, and the Clyde Street section, which is now open to traffic. Monitoring of traffic flows has identified significant benefits for road users, including cyclists and pedestrians who use the off-road facilities.
- Building on the direction provided in the GPS, we are working alongside local authorities to develop collaborative delivery models to improve the effectiveness of maintenance activities. The local government Waikato Road Asset Technical Accord is leading the way towards more efficient asset management.

14%

DECREASE

41 deaths in the Waikato region in 2013/14, and 264 serious injuries. Overall this is a 14% decrease from 2012/13.

21,500

LANE KMS

21,500 lane kms currently maintained in the Waikato region, including local roads and state highways.



BAY OF PLENTY

What we set out to achieve

The 2012-15 NLTP investment (\$580 million) aims to improve the efficiency, resilience and safety of the Bay of Plenty's road network. The needs of heavy vehicles using the Port of Tauranga were also identified as a key consideration within our focus on freight movement to increase economic growth.

We said we'd invest in:

- maintaining, operating and renewing local roads and state highways
- the Tauranga Eastern Link RoNS to improve travel times and safety, and support residential and business growth
- progressing other major improvement projects including the Maunganui-Girven and Te Maunga intersection upgrades, Hairini intersection upgrade and the Rotorua Eastern Arterial.

Key facts and numbers

- 28 deaths in the Bay of Plenty region in 2013/14, and 140 serious injuries. Overall this is a 5% increase from 2012/13.
- 9,100 lane kms currently maintained in the Bay of Plenty region, including local roads and state highways.
- 3,005,049 trips by bus and 29,959 ferry trips were taken. Bus patronage was 5.3% up on the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Bay of Plenty total	194,061
New and improved infrastructure for state highways	114,066
Renewal, maintenance and operation of state highways	43,324
New and improved infrastructure for local roads	5,034
Renewal, maintenance and operation of local roads	23,400
Public transport infrastructure	1,067
Public transport services	5,395
Other ^o	1,775

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Good progress is being made on transport solutions for Bay of Plenty travel, including work on the HPMV network between Auckland, Hamilton, Tauranga and Rotorua.
- Progress on the Waikato Expressway project is already achieving travel time and safety improvements that will benefit the Bay of Plenty.
- We continue to make decisions that will support the changes in land use to accommodate industrial and residential development in the Western Bay of Plenty, and to ensure the long-term efficiency of the Tauranga transport network after the Tauranga Eastern Link is finished, including the Maungatapu underpass, Baypark to Bayfair link upgrade and Tauriko upgrade investigation.
- We have supported economic development in Rotorua by completing the Lake Road/Ngongotaha cycleway connection and ongoing investigation into the best long-term solution for the Te Ngae Road corridor.
- Forward planning is underway to provide public transport choices to Tauranga's urban school children in 2015 and to manage transport demands at peak times following the Ministry of Education's planned withdrawal from providing services in urban areas in 2015.
- We have completed the Ardern Cottage Curves realignment on State Highway 2 and Sun Valley curves realignment on State Highway 30, and progressed the design of the Te Puna/Minden Road intersection upgrade. We have also begun to investigate other safety improvements on SH2 from Tauranga to Waihi, at the intersection of State Highways 5 and 30 at Rotorua, and State Highway 2 at Welcome Bay.
- The Eastern Bay Route Security strategy has been completed. It will inform future decisions for the state highway network between Whakatane and Opotiki.
- We're preparing to trial a weather-activated variable speed sign on State Highway 29 Eastern Kaimai Range. We expect the trial to begin during the next year.
- ACC is leading the investigation for the Eastern Bay road safety signature project.

5%

INCREASE

28 deaths in the Bay of Plenty region in 2013/14, and 140 serious injuries. Overall this is a 5% increase from 2012/13.

9,100

LANE KMS

9,100 lane kms currently maintained in the Bay of Plenty region, including local roads and state highways.

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, MANAWATŪ-WHANGANUI, WELLINGTON TO THE HAWKE'S BAY AND GISBORNE.



What we set out to achieve

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.

We said we'd invest in:

- maintaining, operating and renewing the highway and local road network
- improving the resilience of the network as well as improving route security around the East Coast
- developing HPMV routes to the Port of Gisborne
- Gisborne's public transport service.

Key facts and numbers

- 3 deaths in the Gisborne region in 2013/14, and 21 serious injuries. Overall this is an 8% decrease from 2012/13.
- 3,600 lane kms currently maintained in the Gisborne region, including local roads and state highways.
- 139,473 trips were taken by bus, an 11.2% decrease compared to the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Gisborne total	33,109
New and improved infrastructure for state highways	3,321
Renewal, maintenance and operation of state highways	14,120
New and improved infrastructure for local roads	807
Renewal, maintenance and operation of local roads	13,587
Public transport infrastructure	6
Public transport services	185
Other ^o	1,084

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Journeys have been improved with the introduction of nine new passing opportunities between Napier and Gisborne, enabled by \$4 million of Crown funding.
- To facilitate the development of routes for HPMVs, bridges across the region have been investigated and construction has started on improvements to local roads. Good progress has also been made in opening up the network to 5OMAX vehicles.
- We've confirmed that the Gladstone Road Bridge is strong enough for HPMVs. We're looking at ways to improve the bridge's safety for vulnerable road users.
- Gisborne District Council has completed a section of the walking and cycling network. This has provided an alternative access to Awapuni School, addressing safety concerns with children using the existing access along the highway. Work is also near completion for the Wainui pathway, which will link Wainui to Gisborne City.

8%
DECREASE

**3 deaths in the
Gisborne region
in 2013/14, and 21
serious injuries.
Overall this is an
8% decrease from
2012/13.**

3,600
LANE KMS

**3,600 lane
kms currently
maintained in the
Gisborne region,
including local roads
and state highways.**

**CENTRAL REGION
HAWKE'S BAY**



What we set out to achieve

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.

We said we’d invest in:

- renewing, maintaining and operating local roads and state highways
- developing the Whakatū Outlet and the expressway/Pākōwhai Road intersection, and improving the link between Hastings’ industrial area and the port
- improving the expressway to the port through Napier
- continuing the ‘model communities’ walking and cycling programme
- increasing patronage on the public transport network.

Key facts and numbers

- 9 deaths in the Hawke’s Bay region in 2013/14, and 86 serious injuries. Overall this is a 9% increase from 2012/13.
- 8,600 lane kms currently maintained in the Hawke’s Bay region, including local roads and state highways.
- 799,845 trips were taken by bus - 5.1% higher than the previous year.

2013/14 NLTF investment in the region’s transport system

	ACTUAL \$000
Hawke’s Bay total	59,246
New and improved infrastructure for state highways	3,410
Renewal, maintenance and operation of state highways	20,273
New and improved infrastructure for local roads	4,571
Renewal, maintenance and operation of local roads	27,109
Public transport infrastructure	24
Public transport services	1,990
Other ^o	1,869

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- The design phases of the Pakipaki junction and the Pākōwhai/Links Road intersection have been finalised and construction will start soon. The intersections are among the top 100 high-risk intersections, therefore the projects will provide major safety outcomes for the region.
- We have reviewed the investment logic mapping to identify the safety problems for the Airport Intersection.
- The design phase is underway for the Whakatū arterial link, which is key in improving access from Hastings' industrial area to the port.
- The Hastings District model communities programme (iWays) has developed a walking and cycling network across the local road and state highway network. Cycling now makes up 12% of the traffic on roads (compared to 7% when data collection first began) and walking increased from 31% to 45% of the traffic. The programme is now investigating further state highway and local road projects.
- Customer journeys have been improved through the creation of nine new passing opportunities between Napier and Gisborne, enabled by \$4 million of Crown funding.
- We have investigated bridges in the region to help develop routes for HPMVs. Good progress has been made in opening up the network to 50MAX vehicles.

9%
INCREASE

9 deaths in the Hawke's Bay region in 2013/14, and 86 serious injuries. Overall this is a 9% increase from 2012/13.

8,600
LANE KMS

8,600 lane kms currently maintained in the Hawke's Bay region, including local roads and state highways.

**CENTRAL REGION
TARANAKI**



What we set out to achieve

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.

We said we'd invest in:

- renewing, maintaining and operating local roads and state highways
- the model communities walking and cycling pilot programme
- a HPMV route to Port Taranaki
- significant capacity improvements around the Waiwhakaiho Bridge to relieve congestion and improve freight efficiency
- taking a network-wide approach to improve safety.

Key facts and numbers

- 10 deaths in the Taranaki region in 2013/14, and 35 serious injuries. Overall this is a 41% decrease from 2012/13.
- 7,200 lane kms currently maintained in the Taranaki region, including local roads and state highways.
- 584,371 trips were taken by bus - 5.1% more than the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Taranaki total	50,988
New and improved infrastructure for state highways	5,944
Renewal, maintenance and operation of state highways	24,341
New and improved infrastructure for local roads	1,110
Renewal, maintenance and operation of local roads	16,426
Public transport infrastructure	40
Public transport services	1,315
Other ^o	1,810

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- The design phase for New Plymouth's State Highway 3 Vickers to City safety and capacity improvements has been completed. Construction has started and is expected to be completed by June 2016.
- We've partnered with New Plymouth District Council on several 'Let's Go' walking and cycling projects. Census data comparing 2006 and 2013 shows that walking and cycling have increased by 12%. Now 65% of pupils get to school using an active mode, an increase from 35% in 2006.
- We have investigated bridges and identified which ones need to be strengthened to develop routes for HPMVs. Strengthening is underway on four State Highway 3 bridges between South Taranaki and Port Taranaki. Seven further bridges between South Taranaki and Wanganui are being designed. State Highway 3 between New Plymouth and Hamilton can now take HPMVs. The Taranaki roading network is 50MAX capable. This includes both state highways and local roads.
- We've improved safety by introducing lower speed limits north of New Plymouth and at the Normanby Overbridge. Surface treatments, improved markings and signage have also contributed to safety improvements for Normanby.

41%

DECREASE

10 deaths in the Taranaki region in 2013/14, and 35 serious injuries. Overall this is a 41% decrease from 2012/13.

7,200

LANE KMS

7,200 lane kms currently maintained in the Taranaki region, including local roads and state highways.

**CENTRAL REGION
MANAWATU-
WHANGANUI**



What we set out to achieve

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.

We said we'd invest in:

- renewing, maintaining and operating local roads and state highways
- improving the Manawatu Gorge alternative route between Manawatu and Hawke's Bay
- replacing the Whakaruatapu Bridge to improve safety on State Highway 2
- continuing investigations into the Ōtaki to Levin section of the Wellington Northern Corridor RoNS.

Key facts and numbers

- 24 deaths in the Manawatu/ Whanganui region in 2013/14, and 123 serious injuries. Overall this is no change from 2012/13.
- 16,000 lane kms currently maintained in the Manawatu/ Whanganui region, including local roads and state highways.
- 1,577,158 trips were taken by bus, a 2.7% decrease compared to the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Manawatu-Whanganui total	91,979
New and improved infrastructure for state highways	19,543
Renewal, maintenance and operation of state highways	15,179
New and improved infrastructure for local roads	5,646
Renewal, maintenance and operation of local roads	42,603
Public transport infrastructure	4,557
Public transport services	2,425
Other ^o	2,026

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Renewing, maintaining and operating state highways and local roads has been the main focus for the region.
- Construction has been completed for the State Highway 2 Papatawa realignment. The project improves the overall geometry, efficiency and safety of the state highway and provides safer and easier journeys for motorists travelling between Hawke's Bay and the Manawatu.
- Investigations have progressed on the Ōtaki to Levin RoNS with substantial public consultation over the last 12 months. A key component of the project is improving the connection between State Highways 1 and 57.
- Councils across the region have embraced both 50MAX and HPMVs. The HPMV routes, across both state highways and local roads, will be completed this year, including the important links that improve freight connectivity in the region and the rest of the country.
- Construction is about to start on the State Highway 2 Whakaruatapu Bridge, north of Dannevirke. The project will improve the width of the bridge and alignment of the approaches.
- Construction is about to start on the State Highway 57 Shannon North Seal Widening and Bridge Replacement project. The project will improve safety along this busy route by eliminating a narrow bridge and providing a wider corridor.
- Investigations on the State Highway 1 Whirokino Trestle Bridge are underway to improve safety, efficiency and resilience on this bridge, which is reaching the end of its useful life. A key feature will be enabling HMPV vehicles to use the bridge instead of taking a 14km detour route.
- The Whanganui District Council, in partnership with the Rangitikei District Council, is replacing Wylies Bridge, which is at the end of its useful life and remains an important lifeline.
- The Mount Stewart/Awahuri Road intersection is currently being upgraded by the Manawatu District Council. This intersection has a poor safety record and is also on an HPMV route.
- The construction of the Manawatu Gorge Alternative Route project is underway and will be completed within two years. The alternative route is an important lifeline should the Manawatu Gorge close.
- Horizons Regional Council has reviewed Palmerston North's bus network and released the review document for public consultation. The review aims to improve customer service and increase patronage.
- The River Road project opened on 29 March, after seven years of construction, and now provides a good level of service for tourists and locals.

0%

CHANGE

24 deaths in the Manawatu/Whanganui region in 2013/14, and 123 serious injuries. Overall this is no change from 2012/13.

16,000

LANE KMS

16,000 lane kms currently maintained in the Manawatu/Whanganui region, including local roads and state highways.

**CENTRAL REGION
WELLINGTON**



What we set out to achieve

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.

We said we’d invest in:

- projects to relieve congestion and improve freight connections into and around Wellington city, including improvements to state highway links to the port and airport
- the Wellington Northern Corridor to provide a safer, more reliable and more efficient highway connection from Levin to Wellington, connecting the city, the port and airport to the growing economic centres of Kāpiti and the Manawatū and the wider North Island
- public transport services and infrastructure to help relieve congestion
- regional safety and pedestrian and cycling improvements
- making the most of the network at Johnsonville, on State Highway 2 at Melling and where State Highway 1 joins State Highway 2.

Key facts and numbers

- 15 deaths in the Wellington region in 2013/14, and 134 serious injuries. Overall this is a 6% increase from 2012/13.
- 8,000 lane kms currently maintained in the Wellington region, including local roads and state highways.
- 23,981,194 bus trips and 11,643,292 train trips were taken, while a further 180,155 trips were taken by ferry. Bus patronage was 1.6% up on the previous year.

2013/14 NLTF investment in the region’s transport system

	ACTUAL \$000
Wellington total	403,772
New and improved infrastructure for state highways	255,849
Renewal, maintenance and operation of state highways	38,334
New and improved infrastructure for local roads	14,885
Renewal, maintenance and operation of local roads	31,995
Public transport infrastructure	3,317
Public transport services	53,033
Other ^o	6,359

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Substantial progress has been made on the State Highway 1 Memorial Park project with major structural components such as the roof slab under way. This project is expected to be completed ahead of schedule.
- Construction is well under way on the State Highway 1 MacKays to Peka Peka section of the Kāpiti Expressway.
- The construction of the Milne Drive / Te Roto Road improvements project is well underway. Project cost is \$2.1m and will improve links to the Kāpiti Expressway.
- Ngauranga to Aotea Quay has been approved for construction at a cost of \$50m.
- Planning and investigation work on the Mt Victoria to airport project (Mt Victoria Tunnel Duplication) has commenced.
- A \$10 million transport improvement package to optimise the transport network of all transport modes around Johnsonville has been approved and will be delivered by the Transport Agency working with Wellington City Council.
- Greater Wellington, Wellington City Council and the Transport Agency completed the Wellington Public Transport Spine Study looking at long-term options for public transport along the city's growth spine.
- The Petone to Grenada investigation is at a consultation phase. Investigations into improving the cycleway between Petone and Ngauranga are nearly complete with two options identified (seaside or roadside).

6%

INCREASE

15 deaths in the Wellington region in 2013/14, and 134 serious injuries. Overall this is a 6% increase from 2012/13.

8,000

LANE KMS

8,000 lane kms currently maintained in the Wellington region, including local roads and state highways.

**CENTRAL REGION
TOP OF THE SOUTH**



What we set out to achieve

The 2012-15 NLTP investment in the Top of the South (Nelson, Tasman and Marlborough) (\$195 million) focuses on maintaining a safe and resilient network in order to provide route security for tourism and freight movements, and to keep local communities safe and connected.

We said we'd invest in:

- renewing, maintaining and operating local roads and state highways
- improving HPMV route capability on some routes
- a package of walking and cycling improvements
- safety improvements
- managing traffic on local roads to reduce journey times along Waimea Road
- replacing State Highway 1 Dashwood overbridge and upgrading the relevant section of highway
- further investigations into upgrading the Saxton Fields roundabouts.

Key facts and numbers

- 8 deaths in the Top of the South region in 2013/14, and 70 serious injuries. Overall this is a 32% increase from 2012/13.
- 8,000 lane kms currently maintained in the Top of the South region, including local roads and state highways.
- 422,824 trips were taken by bus, which is 12.2% higher than the previous year's patronage.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Top of The South total	61,741
New and improved infrastructure for state highways	13,962
Renewal, maintenance and operation of state highways	23,035
New and improved infrastructure for local roads	3,385
Renewal, maintenance and operation of local roads	17,922
Public transport infrastructure	46
Public transport services	606
Other ^o	2785

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

In Nelson:

- Delivery of the \$13m walking and cycling package of activities continues. The Rocks Road concepts, which are part of the package, are currently out to public consultation.
- New traffic signals at the Waimea Road/Motueka Street intersection have been installed as part of a series of improvements to enhance the efficiency of this key corridor.
- Construction of a stock effluent disposal facility will begin shortly to serve the Tasman and Nelson regions.

In Marlborough:

- Work is well under way to replace the Dashwood overbridge on State Highway 1. Project cost is \$6.9m.
- We have completed a safety improvement on Alabama Road (Butter Factory Corner) at a cost of \$1.14 million.
- We have replaced several bridges - including Kaka Bridge and Pine Valley Number 2 Bridge.
- We have undertaken safety improvements on State Highway 1 between Picton and Blenheim.
- Investigation and design of a safety improvement for the intersection of State Highways 1 and 62 at Spring Creek has been substantially completed.

In Tasman:

- We have signed an agreement with the Tasman District Council to provide management services for the highway network through State Highway 60 in Golden Bay. This new arrangement covers a 75km stretch of highway, from the Riwaka Bridge to Collingwood. We replaced several bridges throughout the network including Yellow Pine Bridge on Pākawau Bush Road in Golden Bay at a cost of \$494,000.
- We have approved a further bridge replacement in the Motueka valley at a cost of \$680,000.

32%

INCREASE

8 deaths in the Top of the South region in 2013/14, and 70 serious injuries. Overall this is a 32% increase from 2012/13.

8,000

LANE KMS

8,000 lane kms currently maintained in the Top of the South region, including local roads and state highways.

SOUTHERN REGION

THE SOUTHERN REGION IS THE LARGEST OF THE TRANSPORT AGENCY’S FOUR REGIONS, ENCOMPASSING ALL OF THE SOUTH ISLAND EXCEPT NELSON, TASMAN AND MARLBOROUGH.



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.

We said we’d invest in:

- emergency works in response to earthquake recovery challenges
- maintaining, operating and renewing local roads and state highways
- completing the first stage of the Southern Motorway
- developing the Northern Motorway
- investigating an HPMV route between Timaru and Christchurch
- replacing the Waitaki Bridges at Kurow to increase security and resilience of the State Highway 82/83 route.

Key facts and numbers

- 43 deaths in the Canterbury region in 2013/14, and 318 serious injuries. Overall this is a 15% increase from 2012/13.
- 29,500 lane kms currently maintained in the Canterbury region, including local roads and state highways.
- 14,174,013 bus trips and 130,466 ferry trips were taken. Bus patronage increased by 5.6% from the previous year.

2013/14 NLTF investment in the region’s transport system

	ACTUAL \$000
Canterbury total	348,341
New and improved infrastructure for state highways	114,547
Renewal, maintenance and operation of state highways	68,099
New and improved infrastructure for local roads	34,701
Renewal, maintenance and operation of local roads	96,891
Public transport infrastructure	5,041
Public transport services	20,249
Other ^o	8,813

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- Funding has been approved to design and build a replacement Ashley River Bridge in the Waimakariri District and widen the Factory Road Bridge in the Timaru District; both projects improve network resilience and help manage freight efficiently and safely.
- The two new State Highway 82 bridges across the Waitaki River at Kurow were opened, significantly improving the resilience and capacity of the network and providing access for cyclists.
- The Christchurch Transport Operations Centre is established, a partnership between Christchurch City Council, Environment Canterbury and the Transport Agency. The centre is a major step forward in making the most of the combined state highway and local road networks across Christchurch. The centre also helps coordinate planning and managing rebuild activity. The centre will improve customer service by:
 - actively managing the combined networks to minimise congestion and to ensure we make the most of the existing asset
 - providing travellers with up-to-the-minute information about network conditions, so they can make informed choices about route or type of transport
 - managing planned and unplanned events. This includes coordinating rebuild activity to minimise disruption.
- Improving the bus passenger transport system is a key part of central Christchurch's recovery. A major milestone was achieved when the contract was awarded to build a new central city bus interchange, to be opened in April 2015. The new interchange will offer excellent facilities and ensure passenger transfers are seamless.
- Significant progress has been made on developing the various sections of the Christchurch RoNS projects to improve freight efficiency and reduce congestion across greater Christchurch:
 - On the State Highway 1 Western Corridor, congestion has been reduced and freight efficiency improved now that the Avonhead to Yaldhurst, Sawyers Arms to Harewood sections and most of the Yaldhurst to Waterloo section are completed. There will be further improvement as we deliver the rest of the corridor improvements; consents have been obtained for the Groyne to Sawyers Arms section (construction starts late in 2014). We also received consents for the Harewood to Avonhead section but are awaiting the outcome of appeals to the consents before construction can start in 2015. We have lodged a notice of requirement for the Western Belfast Bypass.
 - Consent and designations for stage 2 (from stage 1 to Rolleston) of the Christchurch Southern Motorway have been granted and a contract has been let for the design works for this four-star road; this link will significantly improve freight efficiency to the south of Christchurch.

15%

INCREASE

43 deaths in the Canterbury region in 2013/14, and 318 serious injuries. Overall this is a 15% increase from 2012/13.

29,500

LANE KMS

29,500 lane kms currently maintained in the Canterbury region, including local roads and state highways.

**SOUTHERN REGION
WEST COAST**



What we set out to achieve

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

We said we'd invest in:

- ensuring key strategic routes (principally State Highway 73) continue to support the region's primary industry and tourism
- replacing the Rough River Bridge on Atarau Road to allow HPMVs to use the route to transport coal
- investigating the installation of a 'clip-on' addition to the Taramakau River Bridge
- improving safety for cyclists and motorcyclists.

Key facts and numbers

- 11 deaths in the West Coast region in 2013/14, and 28 serious injuries. Overall this is a 22% increase from 2012/13.
- 5,000 lane kms currently maintained in the West Coast region, including local roads and state highways.
- 24,173 trips were taken by bus, 40.3% fewer than in the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
West Coast total	46,185
New and improved infrastructure for state highways	3,066
Renewal, maintenance and operation of state highways	31,490
New and improved infrastructure for local roads	1,129
Renewal, maintenance and operation of local roads	10,187
Public transport services	99
Other ^o	215

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- The first tranche of improvements for the Taramakau River Bridge is now complete and provides enhanced safety outcomes.
- We continue to team up with KiwiRail to investigate a second tranche of short- and long-term options for safe roading facilities for cyclists and motorcyclists on the Taramakau River Bridge.
- A full range of safety improvements on both state highways and local roads throughout the region were carried out.
- Emergency works are continuing following a large rockfall at Diana Falls on State Highway 6. Route resilience and safety are the prime focus to ensure this isolated but critical highway is open for tourism and freight, and available for Otago and Westland communities to maintain their businesses.

22%

INCREASE

11 deaths in the West Coast region in 2013/14, and 28 serious injuries. Overall this is a 22% increase from 2012/13.

5,000

LANE KMS

5,000 lane kms currently maintained in the West Coast region, including local roads and state highways.

**SOUTHERN REGION
OTAGO**



What we set out to achieve

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.

We said we'd invest in:

- renewing, maintaining and operating local roads and state highways
- targeting efficiency gains on Otago's transport network
- opening HPMV routes in the Otago region
- Caversham Valley Safety Improvements project.

Key facts and numbers

- 17 deaths in the Otago region in 2013/14, and 178 serious injuries. Overall this is a 7% increase from 2012/13.
- 18,500 lane kms currently maintained in the Otago region, including local roads and state highways.
- 2,851,728 trips were taken by bus, 2.1% fewer than in the previous year.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Otago total	103,936
New and improved infrastructure for state highways	17,167
Renewal, maintenance and operation of state highways	30,273
New and improved infrastructure for local roads	10,254
Renewal, maintenance and operation of local roads	35,299
Public transport infrastructure	23
Public transport services	3,681
Other ^o	7,240

^o Other includes: road safety, transport planning, and walking and cycling activities.

Investment highlights 2013/14

- The Caversham Valley Safety Improvements project is progressing well.
- We strengthened the Clydevale Bridge to make room for HPMVs and overdimension traffic, and improve route resilience.
- The Dunedin City Council's southern commuter walking and cycling routes activity, which will improve cycling safety and provide people with a choice in transport options, is progressing.
- The Otago and Southland regional transport committees are exploring options for a combined Regional Land Transport Plan for 2015-18. A combined plan will provide a strategic approach to journeys across both regions, including a consistent approach to providing for freight and tourism needs.

7%

INCREASE

17 deaths in the Otago region in 2013/14, and 178 serious injuries. Overall this is a 7% increase from 2012/13.

18,500

LANE KMS

18,500 lane kms currently maintained in the Otago region, including local roads and state highways.

**SOUTHERN REGION
SOUTHLAND**



What we set out to achieve

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.

We said we'd invest in:

- renewing, maintaining and operating local roads and state highways
- safety initiatives focused on regular renewals, maintenance and operations programmes, minor improvements and targeted road safety promotion
- opening HPMV routes in the Southland region
- continuing to improve the safety of the Homer Tunnel.

Key facts and numbers

- Eight deaths in the Southland region in 2013/14, and 62 serious injuries. Overall this is a 1% decrease from 2012/13.
- 14,300 lane kms currently maintained in the Southland region, including local roads and state highways.
- 289,745 trips were taken by bus, 6.7% fewer than in the previous year.

Investment highlights 2013/14

- Strengthening of Tiwai Bridge in Invercargill continues.
- Support is growing for HPMVs.
- Southland and Otago regional transport committees are exploring options for developing a combined Regional Land Transport Plan for 2015-18.
- Southland District's maintenance and operations activity continues to improve after putting in place the economic network plan.

2013/14 NLTF investment in the region's transport system

	ACTUAL \$000
Southland total	52,896
New and improved infrastructure for state highways	7,261
Renewal, maintenance and operation of state highways	23,021
New and improved infrastructure for local roads	1,688
Renewal, maintenance and operation of local roads	19,192
Public transport infrastructure	50
Public transport services	980
Other ^o	704

**1%
DECREASE**

Eight deaths in the Southland region in 2013/14, and 62 serious injuries. Overall this is a 1% decrease from 2012/13.

^o Other includes: road safety, transport planning, and walking and cycling activities.

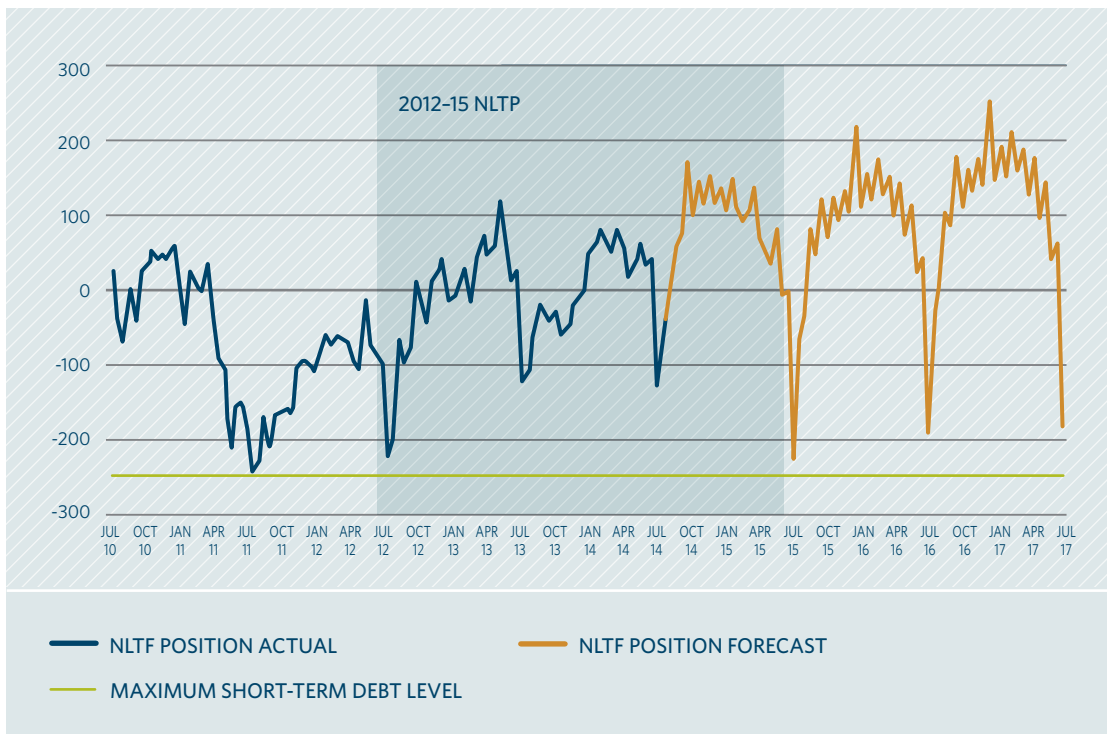
LOOKING FORWARD

The balance of the current 2012-15 NLTP will be delivered during the remaining year of the programme. Total overall expenditure for the two years ending June 2014 was approximately 2% below the published NLTP, due to under delivery or underspend across most activity groupings, with state highway improvements being the notable exception. The position at the end of the NLTP 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 continues to depend on both revenue flows into the NLTF and greater flexibility in the use of the short-term borrowing facility, which was put in place to manage cash flow and revenue changes. NLTF revenues for the two years ended June 2014 were 1.8% lower than the published NLTP, but 2.6% higher than what was budgeted for at the beginning of 2013/14.

The latest cash flow projections are shown in the graph below.

NLTF NET CASH POSITION (\$ MILLIONS)



As shown, we anticipate that we will need to utilise most of the short-term borrowing facility available to us shortly after the end of the 2012-15 NLTP. Given the uncertainty that exists for revenue forecasts beyond the current year, any slippage in revenue flows will constrain investment even further.

The draft GPS for 2015/16 to 2024/25 has been released for consultation with the sector. Key areas of focus include increasing network resilience, getting the most out of existing networks (particularly in urban areas), extracting cost efficiencies from maintenance and operations activities, improving public transport services and road safety. Each of these will require ongoing collaboration with sector, local government and industry partners.

SECTION B STATEMENT OF SERVICE PERFORMANCE



STATEMENT OF RESPONSIBILITY

In terms of the Land Transport Management Act 2003, the Transport Agency is responsible for preparing the National Land Transport Fund (NLTF) financial statements and statement of service performance, and for the judgements made in them.

The Transport Agency is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance about the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the NLTF for the year ended 30 June 2014

Signed on behalf of the Board:



Chris Moller
Chair
20 OCTOBER 2014



Jerry Rickman
Chair of Audit, Risk and
Assurance Board Committee
20 OCTOBER 2014

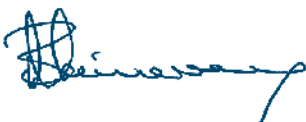
Countersigned by:



Geoff Dangerfield
Chief Executive
20 OCTOBER 2014



Philip Berry
Acting Chief Financial Officer
20 OCTOBER 2014



Brandon Mainwaring
National Manager Trends and Performance
20 OCTOBER 2014

SUMMARY OF NATIONAL LAND TRANSPORT FUND INVESTMENT PERFORMANCE

In 2013/14, 13 of our 25 investment performance targets were achieved (52%) with one year to go in the NLTP.

A FULL SUMMARY OF THE TRANSPORT AGENCY'S INVESTMENT PERFORMANCE CAN BE FOUND IN THE STATEMENT OF SERVICE PERFORMANCE SECTION OF THE TRANSPORT AGENCY'S 2013/14 ANNUAL REPORT.

KEY INVESTMENT HIGHLIGHTS FOR 2013/14 INCLUDE:

Management of funding allocation system

The cost of managing the funding allocation system (excluding the Road Policing Programme) remained $\leq 1\%$ of the total annual fund. This result reflects continued fiscal prudence in administration costs as we focus on investing for outcomes and maximising the return from our investments.

State highway networks

State highway investment in new and improved infrastructure significantly exceeded forecast with successful advancement of the RoNS and freight efficiency programmes. Substantial savings have been realised in renewals through changes in asset management practices, where an increased focus on maintenance and operations delivers an extended service life and reduced periodic renewal cost. This approach to asset management is reflected in the increased cost of maintaining and operating the network, as well as a minor reduction in asset resurfacing and pavement integrity; however, the programme was managed to ensure the right level of risk was taken in the right places.

Sector research

We published 26 research programme reports on the Transport Agency website. A further 12 research projects were completed and the associated reports were being finalised for publication as at June 2014. In addition, 20 research projects were actively managed, including 16 new contracts procured during 2013/14.

Transport planning

During 2013/14 the Transport Agency made considerable contributions to transport planning activities at both national and regional levels. Key achievements include maximising transport sector investment through the Auckland Unitary Plan and ensuring the Christchurch Land Use Recovery Plan reflected integrated land use and transportation planning. Significant contributions were also made to support efficient freight movement across the country through the Central and Southern Freight Story and leading development of the Greater Christchurch Freight Study.

Public transport

Investment in public transport services was 5% higher than in 2012/13 with the majority of investment focused in Auckland, Wellington and Christchurch. Public transport patronage was lower than forecast; however, it did increase by 3.8% and further growth is expected in line with increased investment. Boardings per NLTF \$ invested narrowly missed forecast, which is consistent with expenditure in public transport services increasing slightly more than patronage.

Road safety

Road safety advertising for our speed and drug driving campaigns received extensive national and international recognition with multiple successes at leading advertising awards. Investment in local authorities' activities continued to address local safety issues and increase alignment to the Safer Journeys priorities.

Local road networks

Investment in new and improved infrastructure for local roads was focused in Auckland with several large projects underway to support economic growth and productivity in the region. Overall the volume of work completed was less than forecast due to competing Canterbury rebuild priorities and ongoing construction on a number of large local-road projects. Investment performance in renewals and the maintenance and operation of local roads was strong, with seven of nine forecasts achieved. This was achieved despite local authorities across the country economising on renewal costs by better targeting work and extending the life of existing assets through maintenance.

Walking and cycling

Walking and cycling infrastructure investment shifted focus from low-cost, long-distance projects to shorter distance and higher cost segregated cycleway projects resulting in a lower than forecast delivery of new footpaths, cycle lanes and cycle paths. A number of large projects in major centres made good progress during the year and there was significant investment in the investigation and design stages for upcoming projects.

ROAD POLICING PROGRAMME

The Road Policing Programme is a special type of NLTF investment in the land transport system, delivered by the NZ Police and appropriated through Vote Police.

The Transport Agency prepares the Road Policing Programme with NZ Police and recommends it to the Minister of Transport for approval. The Transport Agency also monitors and reports on the delivery of the programme.

The Road Policing Programme contributes to a reduction in deaths and serious injuries from road crashes, by deterrence and enforcing the law applying to road users. The activity has a secondary contribution, through the protection of the roading asset, to ensuring more efficient freight supply chains and the resilience and security of the transport network. This is again delivered by deterrence and enforcing the law.

THE KEY ACHIEVEMENTS DURING 2013/14 WERE THAT THE TRANSPORT AGENCY:

- led the Transport Agency/NZ Police Road Policing Programme Strategic Oversight Committee, the membership of which comprises senior managers from both organisations. The committee considered a wide range of issues during the year, including the static camera expansion programme which includes speed and red light cameras, and the development of intervention logic mapping and benchmarking for road policing
- reported quarterly to the Minister of Transport on NZ Police delivery of the 2012-15 Road Policing Programme by applying the new monitoring and reporting framework which focuses on the outcomes to which Police make a significant contribution, and is designed to enable the monitoring of efficiency and effectiveness, and to maintain investment confidence and improve future delivery of the programme.

For full details of NZ Police activities, including the Road Policing Programme, see the 2013/14 NZ Police annual report.

This investment covers:

- the delivery of activities listed in the Road Policing Programme focusing on high-risk drivers, young drivers, motorcycling, alcohol/drug-impaired driving, speed, traffic management, restraints, the heavy vehicle fleet, crash attendance and investigation, roads and roadsides, the light vehicle fleet, walking and cycling, fatigue and distraction, and older road users
- delivery is directed towards the achievement of road safety and economic growth and productivity outcomes
- delivery is monitored and reported on in terms of results or intermediate outcomes to which Police make a significant contribution.

Sector or departmental outcome links

Evaluation at the programme level establishes the clearest linkage between the interventions identified under this output and overall road safety outcomes. As a member of the transport sector, Police contributes towards the achievement of the Safer Journeys outcomes and road policing strategy actions.

In delivering road policing activities, Police

- encourage all drivers on New Zealand roads to observe and abide by the road rules
- work with individuals and groups in the community so they take responsibility for themselves and others on our roads
- listen to communities to further understand the risks
- work with local authorities and transport authorities, for example, to reduce speed
- consider opportunities for enhanced road safety through environmental design.

HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?

PERFORMANCE MEASURES	LATEST ACTUAL 2013-16 SOI	DESIRED TREND 2013-16 SOI	LATEST ACTUAL	OVERALL TREND
High risk drivers: % of disqualified drivers detected driving	12% (2009)	Decrease	125 ^a (Mar 2014)	Decrease
High risk drivers: Number of disqualified or unlicensed drivers involved in fatal/serious crashes	180 (Dec 2011)	Decrease	178 ^b (Mar 2014)	Decrease
Young drivers: Number of drivers on graduated driver licences at fault in fatal/serious crashes	255 (2011)	Decrease	216 (Mar 2014)	Decrease
Young drivers: % of youth who believe they will be stopped for non-alcohol/speed traffic offences	42% (2012)	Increase	45% (2013)	Increase
Motorcycling: % of motorcycles in crashes without a current Warrant of Fitness	26% (Dec 2011)	Decrease	29% (Mar 2014)	Increase
Alcohol drug/impaired driving: % of people surveyed who think there is a high probability of being stopped at a compulsory breath test checkpoint	52% (2012)	Increase	53% (2013)	Increase
Alcohol drug/impaired driving: % of people surveyed who think there is a high probability of being tested for drugs	New measure	-	Not surveyed	-
Speed: % of vehicles exceeding posted speed limits (50km/h and 100km/h)	25% (100km/h) 2012 53% (50km/h) 2012	Decrease	25% (100km/h) 2013 56% (50km/h) 2013	Decrease ^c
Speed: % of people surveyed who believe there is a high probability of being detected speeding	55% (2012)	Increase	56% (2013)	Increase
Traffic management: Compliance with road user charges regime	New	Increase	97.5% ^d (June 2014)	Static
Traffic management: 'Post-incident' availability of state highway network ^e	New	Decrease	75 minutes (June 2014)	Increase

Notes

- a Measure subsequently adjusted to: Decreased number of drivers driving while disqualified involved in injury crashes - Dec 2011 figure of 188
- b Measure monitored was: Reduction of disqualified, unlicensed, fleeing or racing drivers in fatal/serious crashes - Dec 2011 figure of 206
- c While the change in average speeds in 50km/h speed limit areas shows an increase from 2012 to 2013, the overall trend for the six years to 2013 is decreasing
- d Measured by: Percentage of vehicles stopped by CVIU staff not in breach of RUC rules - September 2012 97.1%
- e Measured in terms of average time state highways closed as a result of crashes

ACTUAL 2012/13	HOW THE POLICE ASSESS SERVICE DELIVERY PERFORMANCE (REPRODUCED FROM THE NZ POLICE ANNUAL REPORT 2014)	ACTUAL 2013/14	PERFORMANCE STANDARD 2013/14
REDUCE THE IMPACT OF HIGH RISK DRIVERS			
New measure for 2013/14*	Number of enforcement actions taken against high risk drivers per 10,000 population **/**	774	680 to 720
INCREASE SAFETY OF YOUNG DRIVERS			
8,863	Number of secondary school road safety sessions delivered by School Community Officers	9,554	7,000
New measure for 2013/14	Youth related Graduated Drivers Licensing (GDL) Systems offences detected per 10,000 population	1,449	1,200 to 1,500

ACTUAL 2012/13	HOW THE POLICE ASSESS SERVICE DELIVERY PERFORMANCE (REPRODUCED FROM THE NZ POLICE ANNUAL REPORT 2014)	ACTUAL 2013/14	PERFORMANCE STANDARD 2013/14
INCREASE SAFETY OF MOTORCYCLING			
New measure for 2013/14	Number of enforcement actions taken against motorcyclists relating to bike not to standard (warrant of fitness) per 10,000 population **	4.4	3.5 to 4.5
New measure for 2013/14	Motorcycle related Graduated Drivers Licensing (GDL) Systems offences detected per 10,000 population	4	2 to 4
New measure for 2013/14	Motorcycle related speed offences detected per 10,000 population	11	8 to 14
REDUCE IMPACT OF ALCOHOL / DRUG IMPAIRED DRIVING			
2,903,250	Number of breath tests conducted	3,029,072	2,700,000
New measure for 2013/14	Total alcohol and drug driving offences detected per 10,000 population	52	64 to 66
REDUCE THE IMPACT OF SPEED			
New measure for 2013/14	Number of enforcement actions by officers for speed per 10,000 population **	648	590 to 635
INCREASE THE USE OF RESTRAINTS			
New measure for 2013/14	Number of enforcement actions for vehicle occupants for not wearing restraints per 10,000 population **	140	120 to 135
IMPROVE SAFETY OF HEAVY MOTOR VEHICLE FLEET			
New measure for 2013/14	Number of (officer issued) enforcement actions taken for heavy motor vehicles exceeding the speed limit per 10,000 population **	18	20 to 30
100%	Percentage of roadside inspection reports for all heavy motor vehicle roadside inspections (levels 3, 5 and 6) that are entered into the Transport Agency's road inspection database within 20 working days	81%	100%
100%	Percentage of all commercial vehicle combinations stopped by Commercial Vehicle Investigation Unit (CVIU) staff, and for which vehicle inspection reports are completed	100%	100%
CRASH ATTENDANCE AND REPORTING			
94%	Percentage of all Traffic Crash Reports correctly completed and received by the NZTA within 10 weeks of the crash or within seven days of completion of file (whichever happens first)	93%	95%
ENFORCEMENT OF ROAD AND ROADSIDE RULES			
New measure for 2013/14	Number of enforcement actions in relation to intersection behaviour and lane compliance per 10,000 population **	152	125 to 145
IMPROVE SAFETY OF LIGHT VEHICLE FLEET			
New measure for 2013/14	Number of enforcement actions in relation to light vehicle fleet standard requirements (warrant/certificate of fitness) per 10,000 population **	319	270 to 295

ACTUAL 2012/13	HOW THE POLICE ASSESS SERVICE DELIVERY PERFORMANCE (REPRODUCED FROM THE NZ POLICE ANNUAL REPORT 2014)	ACTUAL 2013/14	PERFORMANCE STANDARD 2013/14
IMPROVE SAFE WALKING AND CYCLING			
50,220	Number of primary school road safety sessions delivered by School Community Officers	48,862	43,000
New measure for 2013/14	Number of enforcement actions in relation to cycle helmet non-compliance per 10,000 population **	25	20 to 30
REDUCE IMPACT OF FATIGUE AND DISTRACTION			
New measure for 2013/14	Number of enforcement actions for mobile-phone non-compliance per 10,000 population **	41	30 to 35
New measure for 2013/14	Number of enforcement actions for breaches of work-time and log-book rules **	2,445	2,000 to 3,000
IMPROVE SAFETY OF OLDER ROAD USERS			
New measure for 2013/14	Number of enforcement actions on road users 75 years and over because of driver behaviour per 10,000 population **	221	150 to 250
TRAFFIC MANAGEMENT			
7 minutes 38 seconds	Median response time to emergency traffic events in urban policing areas	7 minutes 37 seconds	8 to 9 minutes
10 minutes 22 seconds	Median response time to emergency traffic events in rural policing areas	11 minutes 27 seconds	12 to 14 minutes

Notes

* This measure reports the total high risk driver and dangerous and careless driving offences per 10,000 population.

** "Enforcement actions" include traffic infringements (i.e. those offences with a prescribed fee – commonly known as a ticket) and traffic offence proceedings (i.e. those offences that may result in prosecution, referral to Youth-Aid, warnings, and other resolutions).

Commentary on Police service performance is available in the NZ Police annual report 2014 (www.police.govt.nz).

HOW IS THE MONEY SPENT?

Road safety programme for the year ended 30 June 2014

2012/13 Actual \$000		2013/14 Actual \$000	2013/14 Budget \$000
286,667	Total revenue	308,667	306,667
286,683	Total expenses	308,238	306,667
(16)	Net surplus (deficit)	429	0

HOW DO WE INTERPRET THESE PERFORMANCE RESULTS?

NLTF investment

Overall, the Road Policing Programme continues to provide a positive return on NLTF investment.

OFFICIAL SCOPE: Enabling NZ Police to deliver the Road Policing Programme. The Minister of Transport invests in road policing to improve road safety and economic growth and productivity outcomes.

SECTION C STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2014



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	Actual 2013/14 \$m	Budget 2013/14 \$m	Actual 2012/13 \$m
INCOME INFLOWS^a				
Land transport revenue	3	2,994	2,927	2,758
Government contribution to land transport revenue		3	0	3
Management of Crown land and interest		99	91	95
Total income flows		3,096	3,018	2,856
OUTFLOWS				
National Land Transport Programme		2,771	2,693	2,519
Road Policing Programme		307	307	280
Fuel Excise Duty/Road User Charges administration		5	0	0
Forecasting and strategy		1	0	0
Total outflows		3,084	3,000	2,799
NET SURPLUS		12	18	57

a. This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003. Explanations of major variances against budget are provided in note 17.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	Actual 2013/14 \$m	Budget 2013/14 \$m	Actual 2012/13 \$m
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4	136	17	114
Debtors	5	229	206	214
Total assets		365	223	328
LIABILITIES				
CURRENT LIABILITIES				
Creditors and other payables	6	468	398	443
Total liabilities		468	398	443
NET ASSETS		(103)	(175)	(115)
General funds		(103)	(175)	(115)
GENERAL FUNDS CLOSING BALANCE ^a	7	(103)	(175)	(115)

a. This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003. Explanations of major variances against budget are provided in note 17.

STATEMENT OF CHANGES IN GENERAL FUNDS BALANCE FOR THE YEAR ENDED 30 JUNE 2014

	Note	Actual 2013/14 \$m	Budget 2013/14 \$m	Actual 2012/13 \$m
GENERAL FUNDS OPENING BALANCE				
General funds		(115)	(193)	(172)
Total general funds opening balance		(115)	(193)	(172)
CHANGES IN GENERAL FUNDS BALANCE				
Net surplus		12	18	57
Total changes in general funds balance		12	18	57
GENERAL FUNDS CLOSING BALANCE				
General funds		(103)	(175)	(115)
TOTAL GENERAL FUNDS CLOSING BALANCE^a		(103)	(175)	(115)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	Actual 2013/14 \$m	Budget 2013/14 \$m	Actual 2012/13 \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from land transport revenue		3,081	3,004	2,839
Payments to suppliers		(3,059)	(3,025)	(2,769)
Net cash from operating activities	8	22	(21)	70
Net (decrease)/increase in amounts held by the Crown		22	(21)	70
Amounts held by the Crown at the beginning of the year		114	38	44
AMOUNTS HELD BY THE CROWN AT THE END OF THE YEAR^b		136	17	114

a. This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

b. The National Land Transport Fund is a notional account only. There are no actual cash and cash equivalents as funds are held by the Crown. However, this statement has been provided to meet the requirements of section 11 of the Land Transport Management Act 2003.

Explanations of major variances against budget are provided in note 17.

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2014

REPORTING ENTITY

The Land Transport Management Act 2003 includes a requirement for the NZ Transport Agency to prepare at the end of the financial year an annual report on the National Land Transport Fund.

All revenue from fuel excise duty, road user charges, motor vehicle registration and licensing fees, revenues from Crown appropriations and management of Crown land, and interest are accounted for in the National Land Transport Fund. The National Land Transport Fund is used to manage:

- › the funding of the NZ Police road policing programme
- › the funding of the National Land Transport Programme for:
 - activities delivered by an approved organisation
 - state highway activities
 - research
 - other NZ Transport Agency activities, such as transport planning.

The National Land Transport Fund cash funds are held as part of the total Crown funds. The Ministry of Transport is responsible for authorising any payments from the National Land Transport Fund and administration of appropriations.

The financial statements of the National Land Transport Fund are for the year ended 30 June 2014 and were approved by the Board on 20 October 2014.

BASIS OF PREPARATION

Statement of compliance

The financial statements of the National Land Transport Fund have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZGAAP).

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement base

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

Function and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars (\$m). The functional currency of the National Land Transport Fund is New Zealand dollars (NZ\$).

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the National Land Transport Fund is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). The effective date for the new standards for public sector entities is 1 July 2014. This means the National Land Transport Fund will transition to the new standards in preparing its 30 June 2015 financial statements. The National Land Transport Fund has assessed the implications of the new Accounting Standards Framework, will meet the new standards for its 30 June 2015 financial statements, and does not expect any material impact.

SIGNIFICANT ACCOUNTING POLICIES

Income inflows

Income comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the National Land Transport Fund's business. Revenue is shown net of goods and services tax (GST).

Income is recognised when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the National Land Transport Fund activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the activity giving rise to the revenue have been resolved.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Assets

The National Land Transport Fund account being a notional account does not hold physical assets.

Outflows

The National Land Transport Fund accounts for the flow for funds to:

- › The NZ Transport Agency - for the funding of the National Land Transport Programme, and Fuel Excise Duty/Road User Charges administration
- › The Police - who provide the Roothing Policing Programme
- › Ministry of Transport - for forecasting and strategy.

Under section 9(1) of the Land Transport Management Act 2003, the National Land Transport Fund funds search and rescue activities, and recreational boating safety and safety awareness.

The various activities are outlined in the statements of service performance.

Employee entitlements

The National Land Transport Fund has no employees.

Commitments

The National Land Transport Fund is the major funder of the National Land Transport Programme. The commitments outlined in the notes reflect the funding commitments documented in the National Land Transport Programme 2012-2015.

Goods and services tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The National Land Transport Fund is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the NZ Transport Agency in preparing their financial statements.

2 STATEMENT OF INFLOWS, OUTFLOWS, AND CAPITAL EXPENDITURE FOR THE PREVIOUS TWO FINANCIAL YEARS

	Actual 2013/14 \$m	Actual 2012/13 \$m	Actual 2011/12 \$m
INCOME INFLOWS			
Land transport revenue	2,994	2,758	2,686
Government contribution to land transport revenue	3	3	1
Management of Crown land and interest	99	95	48
Total income flows	3,096	2,856	2,735
OUTFLOWS			
National Land Transport Programme	2,771	2,519	2,363
Roothing Policing Programme	307	280	297
Fuel Excise Duty/Road User Charges administration	5	0	0
Forecasting and strategy	1	0	0
Total outflows	3,084	2,799	2,660
NET SURPLUS	12	57	75

This statement of inflows, outflows, and capital expenditure for the previous two financial years is provided under the requirements of the Land Transport Management Act 2003.

Separate disclosure of the Management of Crown land and interest is required under the Land Transport Management Act 2003.

3 LAND TRANSPORT REVENUE

	Actual 2013/14 \$m	Actual 2012/13 \$m
REVENUE		
Fuel excise duty	1,650	1,564
Road user charges	1,247	1,119
Motor vehicle registration fees	188	174
	3,084	2,857
LESS REFUNDS		
Fuel excise duty	46	41
Road user charges	42	53
Motor vehicle registration fees	1	0
	88	94
Less bad debt write-off	2	5
TOTAL LAND TRANSPORT REVENUE	2,994	2,758

As per the Land Transport Management Act 2003, a payment is made for maritime search and rescue activities from fuel excise duty prior to the duty becoming land transport revenue. This payment was \$7m (2013: \$6m).

4 CASH AND CASH EQUIVALENTS

The National Land Transport Fund is a notional account only. The cash and cash equivalents reported in these statements are held by the Crown in the consolidated fund.

5 DEBTORS

	Actual 2013/14 \$m	Actual 2012/13 \$m
Debtors - fuel excise duty	199	196
Debtors - motor vehicle register/road user charges	30	18
TOTAL DEBTORS	229	214

6 CREDITORS AND OTHER PAYABLES

	Actual 2013/14 \$m	Actual 2012/13 \$m
Transport Agency (for the National Land Transport Programme)	468	443
TOTAL CREDITORS AND OTHER PAYABLES	468	443

Creditors and other payables are non-interest bearing and are normally settled by the end of the month following date of supply, therefore the carrying value of creditors and other payables approximates their fair value.

7 GENERAL FUNDS CLOSING BALANCE

Although the National Land Transport Fund has a negative equity, the Fund will continue to meet all its obligations over the next 12 months, with fund inflows forecast to be higher than outflows over time.

8 RECONCILIATION OF NET SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	Actual 2013/14 \$m	Actual 2012/13 \$m
NET SURPLUS/(DEFICIT) AFTER TAX	12	57
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:		
(Increase)/decrease in debtors	(15)	(23)
Increase/(decrease) in creditors and other payables	25	36
Net movements in working capital items	10	13
NET CASH FROM OPERATING ACTIVITIES	22	70

9 CAPITAL COMMITMENTS AND OPERATING ROADING COMMITMENTS

The future aggregate funding commitments for the National Land Transport Fund are as follows:

	Actual 2013/14 \$m	Actual 2012/13 \$m
Not later than one year	2,940	2,781
Later than one year and not later than five years	1,247	3,076
Later than five years	696	249
TOTAL FUNDING COMMITMENTS	4,883	6,106

10 CONTINGENCIES

Contingent liabilities

The National Land Transport Fund has no contingent liabilities (2013: Nil).

Contingent assets

The National Land Transport Fund has no contingent assets (2013: Nil).

11 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

All related party transactions have been entered into on an arms-length basis.

The National Land Transport Fund is a wholly owned notional fund of the Crown.

Significant transactions with government-related entities

The National Land Transport Fund has been provided with funding of \$3.096 billion (2013: \$2.862 billion) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

Collectively, but not individually, significant, transactions with government-related entities

The National Land Transport Fund purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2014 totalled \$3.084 billion (2013: \$2.805 billion). These purchases included the funding of the Road Policing Programme, and the National Land Transport Programme.

Key management personnel compensation

Under the definition of NZIAS 24, the National Land Transport Fund has no key management personnel.

12 EVENTS AFTER THE BALANCE SHEET DATE

On 29 July 2014 the Transport Agency signed the Transmission Gully Public Private Partnership contract where the Wellington Gateway Partnership will design, construct, finance, operate and maintain the new Transmission Gully highway for the 25 years that follow the expected five-year construction. Transmission Gully should be open for traffic by 2020. Funding will be provided from the National Land Transport Fund, with commitments in relation to this contract being \$3.843 billion over 25 years.

13 FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and liabilities are categorised as follows:

	Actual 2013/14 \$m	Actual 2012/13 \$m
LOANS AND RECEIVABLES		
Cash and cash equivalents	136	114
Debtors	229	214
TOTAL LOANS AND RECEIVABLES	365	328
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Creditors and other payables	468	443
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	468	443

14 FINANCIAL INSTRUMENT RISKS

The National Land Transport Fund's activities do not expose it to any financial instrument risks, such as market risk, credit risk, or liquidity risk.

15 CAPITAL MANAGEMENT

The National Land Transport Fund's capital is its general funds. General funds are represented by net assets.

The National Land Transport Fund is subject to the financial management and accountability provisions of the Public Finance Act 1989, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Transport Agency manages the National Land Transport Fund general funds as a by-product of prudent management of revenues, expenses, liabilities, and general financial dealings, to ensure the National Land Transport Fund effectively achieves the requirements set out in the Land Transport Management Act 2003.

16 COMMITMENTS TO REGIONS REPORTING

The Land Transport Management Amendment Act 2008 requires disclosure of expenditure incurred from the 2008/09 financial year to date, in fulfilling the Crown's commitment as per the Act.

	LTMA Commitment \$m	Due by	Actual to date \$m
Auckland land transport	130	2012/13	130
Bay of Plenty	135	2015/16	130
Waikato land transport	188	2017/18	188
Wellington land transport *	92	2015/16	74
Wellington land transport (Western corridor) *	625	2016/17	245
TOTAL	1,170		767

Auckland land transport commitment was met in 2010/11.

Waikato land transport commitment was met in 2012/13.

* Changes were made to the Land Transport Management Act 2008 Amendment in 2013.

Wellington land transport commitment changed from \$163 million to \$92 million.

Wellington land transport (Western corridor) commitment changed from \$640 million to \$625 million.

17 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

Explanations for significant variations from the National Land Transport Fund's budgeted figures are as follows:

Statement of comprehensive income

INCOME INFLOWS

Land transport revenue was higher than budgeted by \$67 million. Increased RUC sales are the main driver being \$42 million above budget.

OUTFLOWS

National Land Transport Programme was higher than budgeted by \$78 million, but this was largely due to acceleration of state highway expenditure into the current year.

STATEMENT OF SERVICE PERFORMANCE FINANCIALS

	Actual 2013/14 \$m	Budget 2013/14 \$m	Actual 2012/13 \$m
Management of the funding allocation system	30	30	29
Transport planning	14	16	13
Sector research	4	6	3
Public transport	272	316	288
Road safety	31	32	28
New and improved infrastructure for local roads	125	160	153
Renewal of local roads	233	246	204
Maintenance and operation of local roads	303	289	279
Walking and cycling	18	20	8
New and improved infrastructure for state highways	1,215	1,044	997
Renewal of state highways	161	222	175
Maintenance and operation of state highways	365	312	342
TOTAL OUTPUT CLASS FUNDING TO THE TRANSPORT AGENCY	2,771	2,693	2,519

INDEPENDENT AUDITOR'S REPORT



TO THE READERS OF THE NATIONAL LAND TRANSPORT FUND'S FINANCIAL STATEMENTS AND NON-FINANCIAL PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2014

The Auditor-General is the auditor of the National Land Transport Fund (the "NLTF"). The Auditor-General has appointed me, Brent Manning, using the staff and resources of KPMG, to carry out the audit of the financial statements and non-financial performance information of the NLTF on her behalf.

We have audited:

- the financial statements of the NLTF on pages 243 to 252, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in general funds balance and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the NLTF on pages 236 to 241.

OPINION

In our opinion:

- the financial statements of the NLTF on pages 243 to 252:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the NLTF's:
 - › financial position as at 30 June 2014; and
 - › financial performance and cash flows for the year ended on that date.
- the statement of service performance of the NLTF on pages 236 to 241:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the NLTF's service performance achievements and expenses measured against the performance targets and budgets adopted for the year ended 30 June 2014.

Our audit was completed on 20 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the NLTF's financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the NLTF's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the NLTF's financial position, financial performance and cash flows; and
- fairly reflect its service performance.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

The Board's responsibilities arise from the Land Transport Management Act 2003.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and the statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 11(3) of the Land Transport Management Act 2003.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the NLTF.



Brent Manning

KPMG Wellington

On behalf of the Auditor-General

Wellington, New Zealand



If you have further queries, call our contact centre on 0800 699 000 or write to us:

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Private Bag 6995
Wellington 6141.

This publication is also available on NZ Transport Agency's website at www.nzta.govt.nz