

# SECTION E STATEMENT OF SERVICE PERFORMANCE



# STATEMENT OF RESPONSIBILITY

**The Board is responsible for the preparation of the Transport Agency's financial statements and statement of service performance, and for the judgements made in them.**

The Board of the Transport Agency has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to 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 Transport Agency 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:



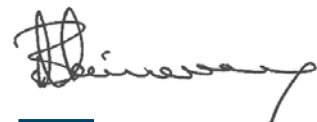
**Geoff Dangerfield**

Chief Executive  
20 OCTOBER 2014



**Philip Berry**

Acting Chief Financial Officer  
20 OCTOBER 2014



**Brandon Mainwaring**

National Manager Trends and Performance  
20 OCTOBER 2014

# NZ TRANSPORT AGENCY STATEMENT OF SERVICE PERFORMANCE

This statement of service performance sets out the outputs (goods and services) the Transport Agency is funded to provide and the standards to which we assess our service delivery performance. It is divided into three categories:

## 90 OUTPUT CLASSES THE TRANSPORT AGENCY DELIVERS:

- Licensing and regulatory compliance
- Road tolling
- Motor vehicle registry
- Road user charges collection, investigation and enforcement
- Refund of fuel excise duty
- Management of the funding allocation system
- New and improved infrastructure for state highways
- Renewal of state highways
- Maintenance and operation of state highways
- Sector research

## 110 OUTPUT CLASSES THE TRANSPORT AGENCY PARTLY DELIVERS ALONG WITH LOCAL AUTHORITIES:

- Public transport
- Transport planning
- Road safety promotion
- Administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders

## 118 OUTPUT CLASSES THE TRANSPORT AGENCY INVESTS IN, BUT DOES NOT DELIVER SERVICES FOR:

- New and improved infrastructure for local roads
- Renewal of local roads
- Maintenance and operation of local roads
- Walking and cycling

# HOW OUR OUTPUTS CONTRIBUTE TO OUR LONG-TERM GOALS

The Transport Agency produces 20 outputs, each of which contributes to our desired long-term goals in different ways. The following table sets out the contribution of our outputs to our desired long-term goals.

FUNCTION	OUTPUT	GOAL 1 Integrating one network	GOAL 2 Shaping smart transport choices	GOAL 3 Delivering highway solutions	GOAL 4 Maximising returns for New Zealand
Planning the land transport network	Management of the funding allocation system	●			●
	Transport planning	●			●
	Sector research	●	●	●	●
Providing access to and use of the land transport system	Licensing and regulatory compliance		●		
	Road tolling		●	●	●
	Motor vehicle registry		●		
	Road user charges collection, investigation and enforcement		●		●
	Refund of fuel excise duty		●		●
Managing the state highway network	New and improved infrastructure for state highways			●	●
	Renewal of state highways			●	●
	Maintenance and operation of state highways			●	●
Investing in land transport	Public transport	●	●	●	●
	Administration of SuperGold cardholder scheme and Enhanced public transport concessions for SuperGold cardholders		●		●
	Road safety promotion	●	●	●	●
	*Road Policing Programme (NZ Police output)		●	●	●
	*New and improved infrastructure for local roads	●			●
	*Renewal of local roads				●
	*Maintenance and operation of local roads				●
	*Walking and cycling	●	●		●

\*The Transport Agency does not deliver these goods or services directly. These output classes receive NLTP investment funds. Actual outputs are delivered by approved organisations. Measurement of Transport Agency performance, in relation to investment output classes, can be found in the management of the funding allocation system.

## KEY

● Major/primary contribution

● Minor/secondary contribution

NB: Where there is no dot, there may still be a small contribution

## TYPES OF PERFORMANCE MEASURE

The statement of forecast service performance contains three types of measurement – value for money, service quality and customer satisfaction. Taken as a set, they provide a holistic picture of the Transport Agency’s service delivery and investment performance.

FUNCTION	TYPES OF MEASURES		
	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
<b>Planning the land transport network</b>	Total cost of managing the funding allocation system as a % of NLTP expenditure	<ul style="list-style-type: none"> <li>% of activities delivered to agreed standards and timeframes</li> <li>% of operational assurance activities completed</li> <li>Average number of days taken to deliver</li> </ul>	<ul style="list-style-type: none"> <li>% customer satisfaction</li> <li>• approved organisations</li> </ul>
<b>Providing access to and use of the land transport system</b>	Unit transactional costs: <ul style="list-style-type: none"> <li>• driver licensing</li> <li>• motor vehicle registration</li> <li>• road user charges</li> <li>• road tolling</li> </ul> % of transactions completed digitally <ul style="list-style-type: none"> <li>• driver licensing</li> <li>• motor vehicle registration</li> <li>• road user charges</li> <li>• road tolling</li> </ul>	<ul style="list-style-type: none"> <li>% of operational assurance activities completed</li> <li>% accuracy of registers</li> <li>Number of products/services delivered or processed*</li> <li>% of activities delivered to agreed standards and timeframes</li> <li>% revenue compliance</li> <li>Average number of days taken to deliver</li> </ul>	<ul style="list-style-type: none"> <li>% customer satisfaction</li> <li>• driver licensing</li> <li>• motor vehicle registration</li> </ul>
<b>Managing the state highway network</b>	<ul style="list-style-type: none"> <li>% of activities delivered to agreed standards and timeframes</li> <li>• new and improved infrastructure for state highways               <ul style="list-style-type: none"> <li>– National War Memorial Park - Buckle Street undergrounding project</li> <li>– construction of passing opportunities on State Highway 2 between Napier and Gisborne</li> </ul> </li> <li>• renewal of state highways</li> <li>• maintenance and operation of state highways</li> </ul>	<ul style="list-style-type: none"> <li>Length of road construction and new roads completed (lane km)</li> <li>Length of bridge replacements (lane km)</li> <li>% of sealed network resurfaced (based on road length in lane km)</li> <li>% of network rehabilitated (based on road length in lane km)</li> <li>% of unsealed network metalled (based on road length in centreline km)</li> <li>Safe stopping: % of travel on network above skid threshold</li> <li>Network resilience: % of rutting &gt;20mm over state highway network</li> <li>Smooth ride: % of travel on network classed as smooth</li> <li>Availability of state highway network: % of unplanned road closures resolved within 12 hours</li> </ul>	<ul style="list-style-type: none"> <li>% customer satisfaction</li> <li>• suppliers</li> <li>• network information customers</li> </ul>
<b>Investing in land transport</b>	<ul style="list-style-type: none"> <li>% of activities delivered to agreed standards and timeframes</li> <li>• renewal of local roads</li> <li>• maintenance and operation of local roads</li> <li>• Public transport boardings per NLTF \$ invested on public transport services (including track access charges)</li> <li>• Cost of renewals (excluding emergency reinstatement) per network lane km (total cost)*</li> <li>• Cost of maintaining and operating the network (excluding emergency work) per network lane km (total cost)*</li> </ul>	<ul style="list-style-type: none"> <li>Fare revenue as a % of total expenditure</li> <li>Length of road construction and new roads completed (lane km)</li> <li>Length of bridge replacements (lane km)</li> <li>% of sealed network resurfaced (based on road length in lane km)</li> <li>% of network rehabilitated (based on road length in lane km)</li> <li>% of unsealed network metalled (based on road length in centreline km)</li> <li>Kilometres of new footpaths, cycle lanes and cycle paths</li> <li>Number of passengers using urban public transport services (bus, train and ferry)*</li> <li>Pavement integrity of the sealed network</li> <li>Surface condition of the sealed network</li> <li>Average number of days taken to deliver</li> <li>% of activities delivered to agreed standards and timeframes</li> <li>% of target audience aware of road user safety messages</li> <li>Road Policing Programme (refer to page 24)</li> <li>Cost of emergency reinstatement</li> </ul>	

\*key operating assumptions

# ACHIEVEMENT OF PERFORMANCE MEASURES

The statement of service performance in the following pages describes the services the Transport Agency delivered and invested in during 2013/14. This statement reports how we performed, and the revenue earned and expenses incurred for each output class. It compares this with the forecast standards included in our *Statement of intent 2013-16*.

In total, the Transport Agency achieved 34 out of 46 (74%) service delivery targets, while the NLTF achieved 13 of 25 (52%) investment forecast results. This reflects steady performance across the three core functions of planning and investing in land transport networks, managing the state highway network, and providing access to and use of the land transport system.

The following table sets out our performance by output class on key performance targets for the year.

FUNDING SOURCE	OUTPUT CLASS	TRANSPORT AGENCY SERVICE DELIVERY PERFORMANCE MEASURES ACHIEVED	NLTF INVESTMENT PERFORMANCE
<b>OUTPUT CLASSES THE TRANSPORT AGENCY DELIVERS</b>			
Funded from fees, charges and Crown contracts	Licensing and regulatory compliance	6 of 7	
	Road tolling	3 of 4	
	Motor vehicle registry	5 of 6	
	Road-user charges collection, investigation and enforcement	3 of 3	
	Refund of fuel excise duty	0 of 2	
Funded from the NLTF	Management of the funding allocation system	4 of 5	
	New and improved infrastructure for state highways	4 of 4	1 of 2
	Renewal of state highways	2 of 3	3 of 5
	Maintenance and operation of state highways	3 of 5	2 of 3
	Sector research	1 of 1	
<b>OUTPUT CLASSES THE TRANSPORT AGENCY PARTLY DELIVERS ALONG WITH LOCAL AUTHORITIES</b>			
Funded from the Crown	Administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders	2 of 2	
Funded from the NLTF	Public transport		0 of 3
	Transport planning	0 of 1	
	Road safety promotion	1 of 2	
<b>OUTPUT CLASSES WHERE THE TRANSPORT AGENCY INVESTS, BUT DOES NOT DELIVER SERVICES</b>			
Funded from the NLTF	New and improved infrastructure for local roads		0 of 2
	Renewal of local roads	0 of 1	5 of 6
	Maintenance and operation of local roads		2 of 3
	Walking and cycling		0 of 1

# OUTPUT CLASSES

## THE TRANSPORT AGENCY DELIVERS

### OUTPUT CLASS

## LICENSING AND REGULATORY COMPLIANCE

### What does the NZ Transport Agency do?

Under this output class, the Transport Agency:

- › monitors and audits compliance with regulatory standards/requirements for vehicles, drivers, operators and transport systems providers and rail system participants
- › provides ministerial services
- › provides driver and transport operator (including rail operator) licensing and testing services
- › maintains the driver licence register
- › issues overdimension permits
- › administers drug and alcohol assessments of drivers and operators (funded by the Ministry of Health)
- › provides licensing information and advice
- › develops land transport rules (under contract to the Ministry of Transport)
- › develops clear and well-understood standards for:
  - vehicle inspection and certification
  - transport service licensing operations
  - rail safety operations
  - vocational driver licensing.

Funding is from fees, charges and from the Crown, including Crown contracts for specific activities.

### How does this output contribute to desired transport goals?

Licensing and regulatory compliance primarily contribute to the long-term goal of shaping smart transport choices. This is achieved by reducing deaths and serious injuries through regulation of drivers, vehicles and commercial operators, and the associated influence on drivers and driver behaviour. Regulatory activities also support efficiency in freight supply chains, vehicle fleet efficiency and reduce adverse environmental effects.

For how our outputs contribute to impacts see appendix 1, page 126.

### Scope of output class

Purchase of land transport regulatory implementation services, specialist land transport enforcement services, and licensing services, including driver licensing.

Purpose of vote transport appropriation limited to ministerial servicing by NZ Transport Agency.

### How do we assess our service delivery performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% accuracy of registers <sup>(8)</sup>	95%	>93%	+2%	96.1%
Unit transaction costs <sup>(9)</sup>	\$38.59	\$36-\$39	-	\$36.45
% of operational assurance activities completed <sup>(10)</sup>	100%	100%	-	100%
% of activities that are delivered to agreed standards and timeframes <sup>(11)</sup>	95%	>90%	+5%	88%
Number of products/services delivered or processed <sup>(12)</sup>	1,085k	826-1,090k	-	930k
% of transactions completed online <sup>(13)</sup>	18%	>16%	+2%	15%
% customer satisfaction <sup>(14)</sup>	64%	>73%	-9%	N/A

**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for licensing and regulatory compliance are the result of a regulatory change programme that supports a safer, more efficient road system.

Key achievements were:

- › delivering efficiency gains to motorists through changes to the frequency for warrant of fitness (WoF) inspections
- › developing a new regulatory model for delivery of certificate of fitness (CoF) services
- › introducing the Community Driver Mentor Programme to support disadvantaged young drivers by developing experience and providing access to driving resources.

### How do we interpret our performance results?

#### *Transport Agency service deliver*

Licensing and regulatory compliance achieved or exceeded six of seven targets this year.

Changes to the customer online experience have lifted satisfaction over the year, but we were still 9% below the target.



# 6/7

**Licensing and regulatory compliance achieved or exceeded six of seven targets this year.**

### Financial results

The licensing activities output class recorded a net surplus at year-end of \$3m, which was \$4.7m above a budgeted deficit of \$1.7m.

Revenue was ahead of plan by \$9.8m with increased volumes in driver licensing and testing, border inspections and transport industry services being significant contributors. This was largely offset by increased expenditure associated with higher service costs from increased volumes and project costs associated with the implementation of WoF and CoF changes.

Revenue results are a reflection of increasing industry activity and heightened skills testing for novice drivers. Although overall volumes are within the expected range, the operating environment contributed to an increase in higher value transactions, which were partially offset by lower than expected volumes for other categories.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	82,754	72,973	9,781	75,693
Expenditure	79,694	74,634	(5,060)	70,612
Net surplus (deficit) <sup>1</sup>	3,060	(1,661)	4,721	5,081

<sup>1</sup> Any annual surpluses or deficits resulting from third-party fee-funded activities in this output class are managed over the long-term to achieve a net cost recovery position.

\* For full output class income and expenditure see appendix 3, pages 132 to 142.



## OUTPUT CLASS

## ROAD TOLLING

**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency:

- › manages the tolling road-side and back-office systems, customer interfaces and payment channels
- › undertakes the collection of toll revenues and disbursements to the Crown
- › provides information and advice to the public.

**How does this output contribute to desired transport goals?**

Road tolling supports the long-term goal of shaping smart transport choices. This is achieved by supporting the impacts provided from new infrastructure investment through the collection of fees for infrastructure investment repayments. For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Collection of road tolling charges and enforcement activities to recover road tolling payment evasion.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of revenue compliance	97%	>96%	+1%	97%
Unit transaction costs <sup>(15)</sup>	\$0.61	\$0.65-\$0.70	+\$0.04	\$0.60
Number of products/services delivered or processed	6.3m	6.0m-6.5m	-	6.0m
% of transactions completed online <sup>(16)</sup>	61%	>65%	-4%	60%

**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for road tolling were:

- › a higher uptake of toll road use, which is reflected in traffic volumes increasing by 6% from last year. The subsequent rise in revenue has resulted in increased transfer of funds to MoT (\$532k) to cover Northern Gateway Toll Road debt repayment
- › further improvement to customer service through extended Contact Centre hours, which resulted in 6% more calls being answered
- › the channels used to engage with customers broadened by extending promotion of the online trip payment facility into social media outlets.

### How do we interpret our performance results?

#### *Transport Agency service delivery*

Road tolling achieved two of four service delivery performance targets this year.

Unit transaction costs were below the target range due to:

- › higher than anticipated trip volumes
- › lower expenditure as payment kiosks experienced fewer faults.

During 2013/14, 91% of payments by tolling account holders and casual customers were completed electronically. Of all casual payments, 61% were completed online, which represents a 1% increase on last year. The shift to online payment is expected to continue as we use targeted advertising campaigns to promote the online facility to casual travellers.



# 3/4

**Road tolling achieved two of four service delivery performance targets this year.**

### Financial results

Tolling revenue was \$360k above budget, which can be attributed to higher trip volumes. Trip volumes were up 6% on the previous year and up 8% against plan.

Tolling expenditure is below budget by \$282k because:

- › we saved on maintenance call-out fees due to significantly reduced faults at kiosks,
- › we saved on merchant and bank fees due to negotiating a better processing rate for payments made in advance .

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	6,056	5,696	360	5,843
Expenditure	5,481	5,763	282	5,272
Net surplus (deficit)	575	(67)	642	571

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

**MOTOR VEHICLE  
REGISTRY****What does the NZ Transport Agency do?**

Under this output class, the Transport Agency:

- › operates the motor vehicle register
- › delivers motor vehicle registration and licensing services
- › undertakes the collection and refund of registration and licensing revenue, which is paid to the National Land Transport Fund
- › provides information and advice to the public.

**How does this output contribute to desired transport goals?**

Motor vehicle registry services contribute to the long-term goal of shaping smart transport choices. This is achieved by reducing deaths and serious injuries from road crashes, more transport mode choices and reducing adverse environmental effects, through first registration of vehicles into the NZ fleet. At first registration, vehicle safety and environmental standards have to be met before the vehicle can be licensed for access to the road network.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Registration and licensing of motor vehicles, the collection and refund of motor vehicle registration and licensing revenue, and the operation of the motor vehicle register.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of accuracy of registers <sup>(17)</sup>	95%	>95%	-	95%
Unit transaction costs	\$5.50	\$5.50-\$6.00	-	\$5.50
Number of products/services delivered or processed	9.5m	8.8-9.8m	-	9.2m
% revenue compliance	99%	≥98%	+1%	99%
% of transactions completed online <sup>(18)</sup>	25%	>25%	-	22.6%
% customer satisfaction <sup>(19)</sup>	94%	>95%	-1%	N/A

**KEY** Value for money   Service quality   Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for the motor vehicle registry were:

- › implementing the ACC Fleet Saver programme with ACC, which reduces levies for eligible businesses that demonstrate a strong safety culture and a commitment to the highest standards of safety among their employees
- › achieving our target of 25% of transactions completed online as a result of improvements to the online payment service. Specifically, we upgraded payment software to allow customers' preferred method of billing, promoted online vehicle licence renewal through phone calls and social media and improved overall customer experience.

### How do we interpret our performance results?

#### *Transport Agency service delivery*

- › Motor vehicle registry achieved or exceeded five of six targets this year.

We narrowly missed our customer satisfaction target; however, results have been actively monitored and we are implementing improvement suggestions from both customers and staff.



# 5/6

**Motor vehicle registry achieved or exceeded five of six targets this year.**

### Financial results

Revenue was \$3m higher than budgeted due to the continued growth of registration volumes for new and used car imports. Registration volumes were 16% higher than those forecast, contributing to increased registration revenue and corresponding plates revenue.

Additional programmes of work were carried out on behalf of ACC during the year. This work was not included in the budget but was on-charged at cost, which contributed to increases in both the revenue and expenditure of this output class.

Despite volumes being higher than planned, the Transport Agency was able to administer these transactions within the funding envelope available.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	56,779	53,700	3,079	54,295
Expenditure	54,033	52,000	(2,033)	51,795
Net surplus (deficit)	2,747	1,700	1,046	2,500

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

OUTPUT CLASS

**ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT**

**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency:

- › collects, by providing licences for diesel vehicles, and refunds road-user charges (RUC), which are paid to the National Land Transport Fund
- › investigates evasion of RUC and enforces payment
- › provides information and advice to the public.

**How does this output contribute to desired transport goals?**

Collecting, investigating and enforcing road-user charges contributes to the long-term goal of shaping smart transport choices through revenue collection for the NLTP and therefore supports Transport Agency investment in the land transport system.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Collection and refund of road user charges, and the investigation and enforcement of evasion of road user charges.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Unit transaction costs	\$6.50	\$5.80-\$6.50	-	\$6.08
Number of products/services delivered or processed <sup>(20)</sup>	2.5m	2.5-2.7m	-	2.4m
% of transactions completed online <sup>(21)</sup>	50%	>50%	-	47.3%

KEY Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for road user charges collection, investigation and enforcement were:

- › continuing improvement in identifying and collecting unpaid road user charges. This was supported by a reduction in the threshold that prompts an automatic assessment for unpaid distance and proactive communications to customers about purchasing RUC
- › delivering further service improvements for online transactions, including allowing online customers to purchase multiple RUC licences and services in one transaction and removing the transaction value limit for credit card purchases
- › increasing the number of applications to change a RUC vehicle type through the success of the HPMV, including 50MAX permitting systems. These applications have a one-day turnaround. This increase shows the system is responding to industry needs and increased HPMV use, while still maintaining service expectations.

### How do we interpret our performance results?

#### *Transport Agency service delivery*

RUC collection, investigation and enforcement achieved all targets this year.

Improvements to the online payment facility that enabled higher value transactions and the investment in infrastructure technology is reflected in unit transaction costs. New channel-based administration fees and credit card surcharges to be introduced in 2015 will allow more flexibility and incentives for electronic payment options.



# 3/3

**RUC collection, investigation and enforcement achieved all targets this year.**

### Financial results

This output class is funded by appropriation from the Crown (Vote Transport).

A total of \$19.9m was appropriated in the year to cover the ongoing administration costs associated with this output class. This includes an additional \$2.9m that was appropriated to upgrade and ensure the stability of the Transport Agency's systems responsible for collecting RUC.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	19,935	17,046	2,889	17,002
Expenditure	17,051	17,046	(5)	16,016
Net surplus (deficit)	2,884	0	2,884	986

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

**REFUND OF FUEL  
EXCISE DUTY****What does the NZ Transport Agency do?**

Under this output class, the Transport Agency records, refunds and accounts for fuel excise duty refund applications.

**How does this output contribute to desired transport goals?**

Refund of excise duty is performed by the Transport Agency on behalf of MoT as part of collecting fuel excise duty (FED) and as provided for under the Land Transport Management Act 2003. This output makes no direct contribution to the Transport Agency's desired goals.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Receipt and processing of applications for, and the refunding of, fuel excise duty.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Average number of days taken to deliver <sup>(22)</sup>	13	10	-3	12.65
Number of products/services delivered or processed <sup>(23)</sup>	38,598	29k-31k	+7,598	29,114

**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for refund of fuel excise duty were:

- › reducing processing times after pressure on resources was identified, which was caused by a much higher than anticipated volume of applications. Although the overall target was exceeded, steady progress was made on reducing the initial spike in processing time
- › continuing development of an online application system for the filing of claims, which is set for delivery during the 2014/15 financial year.

### How do we interpret our performance results?

#### *Transport Agency service delivery*

Refund of fuel excise duty did not achieve performance targets this year.

- › The average number of days taken to deliver refunds exceeded the target by three days. This was a result of increased refund applications and customer enquiries attributed to independent agents filing on behalf of clients.
- › Work to reduce the time to deliver services is continuing with resource levels and process efficiencies being reviewed to manage the increased volume. Improvements were seen as a result of this work with processing times reducing from 15 days in the first quarter to 10 days in the final quarter, resulting in an average of 13 days for the year.



# 0/2

**Refund of fuel excise duty did not achieve performance targets this year.**

### Financial results

This output is funded by appropriation from the Crown (Vote Transport) therefore the revenue appropriated matched budget.

Expenditure was above budget to allow for the additional resource requirements to manage the timelier processing of customer claims. A long-term IS solution is planned to simplify processing with the development and implementation of the new financial management system.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	429	429	0	429
Expenditure	505	429	(76)	461
Net surplus (deficit)	(76)	0	(76)	(32)

\* For full output class income and expenditure see appendix 3, pages 132 to 142.



## OUTPUT CLASS

## MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM

### What does the NZ Transport Agency do?

This output class covers the Transport Agency's internal operating costs to:

- › develop and manage the National Land Transport Programme (NLTP)
- › develop the Transport Agency's planning and investing strategies and plans
- › provide policy advice to government on policy framework
- › monitor and audit the performance of organisations that receive funding from us
- › provide investment policy advice on public transport services
- › monitor and report on work undertaken in the national Road Policing Programme<sup>2</sup>.

### How does this output contribute to desired transport goals?

Management of the funding allocation system contributes to seven of our eight desired impact areas (excluding more efficient vehicle fleets) through the management of the National Land Transport Fund investments. The Transport Agency seeks to invest in outputs that maximise the overall benefit for the New Zealand transport system.

For how our outputs contribute to impacts see appendix 1, page 126.

### Scope of output class

Managing, monitoring and advising transport sector stakeholders on the allocation of NLTP funds, as authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

### How do we assess our service delivery performance?<sup>o</sup>

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Total cost of managing the funding allocation system as a % of NLTP expenditure <sup>(24)</sup>	1%	≤1%	-	1%
% of operational assurance activities completed <sup>(25)</sup>	100%	100%	-	90%
% of activities that are delivered to agreed standards and timeframes <sup>(26)</sup>	99%	100%	-1%	97%
Average number of days taken to deliver <sup>(27)</sup>	14	25	+11	19
% customer satisfaction <sup>(28)</sup>	74%	>55%	+19%	N/A

**KEY** Value for money Service quality Customer satisfaction

<sup>2</sup> For detailed information about the Road Policing Programme refer to page 238.

<sup>o</sup> For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for the management of the funding allocation system (MOFAS) were:

- › determining key aspects of the Funding Assistance Rate (FAR) review, specifically approving the overall framework, the overall co-investment rate and one rate for each council
- › working with MoT to develop the draft Government Policy Statement on Land Transport (GPS) for 2015–16 to 2024–25 and outlining planning and investment signals to guide councils in the development of their programmes for the 2015–18 NLTP
- › assisting the Road Efficiency Group to finalise the One Network Road Classification including the development of performance measures, identifying and sharing best practice asset management, and supporting greater industry and sector collaboration through information sharing, improved management practices and procurement
- › working with planning and investment partners to influence the integration of land use and transport planning, such as the proposed Auckland Unitary plan and draft Christchurch City District plan
- › assessing and allocating funding to new improvement activities, and monitoring the implementation and delivery of approved activities and programmes through the second year of the 2012–15 NLTP
- › completing 29 audits of organisations that received funding through the NLTP and undertaking nine post-implementation reviews, to provide assurance that the funded activities delivered value for money.

### How do we interpret our performance results?

#### Transport Agency service delivery

Management of the funding allocation system achieved or exceeded four of five service delivery performance targets this year.

We are continuing to plan for and deliver management of the funding allocation system with an increasing overall NLTP expenditure target, plus manage the delivery of additional Crown appropriations.

Customer satisfaction has steadily increased by 9–10% annually since 2012. Other relationship performance measures indicate that this has coincided with significant improvements in our ability to seek stakeholders' opinions, genuinely listen to their point of view, share information and make decisions in a timely way as well as explain decisions with clarity.

Our delegation framework and approval processes have allowed us to determine the outcome of funding applications quickly.



# 4/5

**Management of the funding allocation system achieved or exceeded four of five service delivery performance targets this year.**

### Financial results

Expenditure ended almost exactly on budget.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	30,486	30,775	(289)	29,613
Expenditure	30,736	30,775	39	29,569
Net surplus (deficit)	(250)	0	(250)	44

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

## NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS

### What does the NZ Transport Agency do?

Under this output class, the Transport Agency manages and invests in state highway network infrastructure to reduce the number and severity of crashes and improve travel time and reliability between destinations connected by the network. The Transport Agency does this in a socially and environmentally responsible way.

### How does this output contribute to desired transport goals?

New and improved infrastructure for state highways helps deliver on our long-term goal of delivering highway solutions for customers by contributing to more efficient freight supply chains, building a resilient and secure transport network, easing severe urban congestion, as well as helping reduce deaths and serious injuries from road crashes. This is achieved through capital investment in the state highway network.

For how our outputs contribute to impacts see appendix 1, page 126.

### Scope of output class

Capital works for new infrastructure for state highways, as authorised by sections 9(3) and 9(4) of the Land Transport Management Act 2003.

Contributing towards the purchase of state highway improvements as outlined in the 2006/07 State Highway Forecast.

### How do we assess our service delivery performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes <sup>(29)</sup>	92%	>90%	+2%	64%
> National War Memorial Park: Buckle Street undergrounding project	100%	100%	-	N/A
> Construction of passing opportunities on State Highway 2 between Napier and Gisborne	100%	100%	-	N/A
% customer satisfaction <sup>(30)</sup>	72%	>50%	+22%	N/A

### How do we assess our investment performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Length of road reconstruction and new road completed (lane km)	106km	40km-50km	56km	85km
Length of bridge replacements (lane km)	2.5km	3.5km-4.0km	-1km	12.6km

**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

## What were our key achievements?

The key achievements for new and improved infrastructure for state highways were:

- › progressing the roads of national significance programme as planned. Notable achievements include completing the Ngāruawāhia section of the Waikato Expressway (of which 50% is now complete or in construction), advancing the construction of the Waterview Connection SH20 tunnels, beginning construction of the Mackays to Peka Peka section of the Wellington Northern Corridor – with construction preparations for the Transmission Gully section progressing for an early 2014/15 start
- › delivering 1,600 kilometres of full high-productivity motor vehicle (HPMV) routes, which exceeded the target of 1,500 kilometres. Work is underway to deliver more routes in the lower North Island and the South Island, continuing the Transport Agency's priority of moving more freight on fewer trucks
- › achieving our target investment on the safety programme including the delivery of \$22m of minor safety improvements across the network and completing the Arden Cottage Curves safety project in the Bay of Plenty.

## How do we interpret our performance results?

### Transport Agency service delivery and investment

New and improved infrastructure for state highways achieved all of its service delivery targets this year.

We achieved the overall target for delivery of the large and small project and property acquisition programmes, with acquisition highlights being the strong purchase activity on the Wellington Northern Corridor and Christchurch Western Corridor. Some small projects will be carried over for delivery in 2014/15.

Customer satisfaction exceeded target by 22%, resulting from our focus on feedback received in the 2013 stakeholder engagement survey. We have engaged with suppliers through our industry liaison meetings to discuss feedback and introduce improvements throughout the year.

Investment performance achievements are sensitive to the completion date of activities. Length of road reconstruction and new road completed significantly exceeded target due to completion of the multi-laned Ngāruawāhia section of the Waikato Expressway. Length of bridge replacements ended below target due to a delayed completion date for one bridge project.



# 4/4

DELIVERY TARGETS

# 1/2

INVESTMENT FORECASTS

**New and improved infrastructure for state highways achieved all of its service delivery targets and one of two investment forecasts this year.**

## Financial results

Final expenditure on the new and improved infrastructure of state highways exceeded budget by \$71.3m.

This was largely due to accelerating this expenditure into the current year to balance the overall NLTP expenditure targets, meaning works from future years were advanced and started earlier than planned.

Expenditure also increased because it was decided not to draw down the Tauranga Eastern Link debt because funds were available through reduced state highway improvement expenditure and other underspends.

## How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	1,233,642	1,094,200	139,442	996,655
Expenditure	1,230,309	1,159,000	(71,309)	992,559
Net surplus (deficit)	3,333	(64,800)	68,133	4,096

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

RENEWAL  
OF STATE  
HIGHWAYS**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency manages and invests in renewing the existing state highway network infrastructure (to maintain standards of skid resistance and rutting) and to intervene at the optimal time to reduce exposure to future maintenance costs from wear and tear on our roads.

**How does this output contribute to desired transport goals?**

Renewal of state highways helps deliver on our long-term goal of highway solutions for customers by maintaining the resilience and security of the whole road network, delivering efficient and reliable freight supply chains and the easing of severe congestion. This is achieved by sustaining the condition of the local road network through an ongoing capital investment programme.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Renewal work on the state highway network, as authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes <sup>(31)</sup>	87%	>90%	-3%	108%
Safe stopping: % of travel on network above skid threshold <sup>(32)</sup>	98%	≥98%	-	97.2%
Network resilience: % of rutting >20mm over state highway network <sup>(33)</sup>	1%	<2%	+1%	0.8%

**How do we assess our investment performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Cost of renewals (excluding emergency reinstatement) per network lane km (total cost)	\$7,369	\$8,000-\$9,000	+631	\$7,565
% of sealed network resurfaced (based on road length in lane km)	10%	11%	-1%	11.5%
% of network rehabilitated (based on road length in lane km)	1%	1.0% -2.0%	-	1.3%
Pavement integrity of the sealed network	93%	≥94%	-1%	99%
Surface condition of the sealed network	98%	≥97%	+1%	98%

KEY Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for renewal of state highways were completion of:

- › 895km of pavement renewals, including chip sealing and pavement rehabilitation
- › 130km of pavement rehabilitation renewal through pavement strengthening work.

This was achieved despite the programme being reduced to remain within funding constraints, the need for more sophisticated treatments and an increasing proportion of the work on heavy traffic routes.

### How do we interpret our performance results?

#### *Transport Agency service delivery and investment*

Our achievement against service delivery and investment performance targets is consistent with reduced programme expenditure. This is a result of both timing differences and savings from a more aggressive approach to renewals using our strategy of 'nationally planned and regionally delivered'. Accordingly, we have deferred some renewals from 2013/14 to 2014/15.

We are also working our assets harder by renewing them later in their lifecycles, thereby extending their service life and reducing their periodic renewal cost. This approach has most impact on lower classification state highways to ensure the right level of risk is taken in the right places.



# 2/3

DELIVERY TARGETS

# 3/5

INVESTMENT FORECASTS

**Renewal of state highways achieved two of three service delivery targets and three of five investment targets this year.**

### Financial results

Renewal of state highways ended the year \$53.4m under budget. This underspend reflects savings made in the renewal programme as a result of taking a more rigorous approach to asset renewals. Extending the service life of assets means we have deferred some renewals to 2014/15.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	168,593	222,000	(53,407)	175,009
Expenditure	168,593	222,000	53,407	175,009
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

## MAINTENANCE AND OPERATION OF STATE HIGHWAYS

### What does the NZ Transport Agency do?

Under this output class the Transport Agency:

- › operates the state highway network to ensure customers are aware of conditions before they travel and, when they do travel, that it is safe and reliable
- › maintains the road and the roadside to ensure it is in as safe a condition as possible to travel on
- › maintains the state highway network to ensure it continues to provide a reliable travel journey.

### How does this output contribute to desired transport goals?

Maintenance of state highway infrastructure helps deliver on our long-term goal of highway solutions for customers by ensuring that the established network has a sustained impact on the transport system. Through sound management of maintenance activities and operation of the network, the Transport Agency ensures better use of transport capacity, network resilience and security, freight supply chain efficiency as well as reducing urban congestion and the risk of road crashes. This is done by ensuring that surface condition and skid resistance network standards are maintained and traffic flow and incidences effectively managed.

For how our outputs contribute to impacts see appendix 1, page 126.

### Scope of output class

Activities that manage, maintain and operate state highway infrastructure as authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

### How do we assess our service delivery performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes <sup>(34)</sup>	103%	>90%	-3%	96%
Safe stopping: % of network meeting surface texture standards <sup>(35)</sup>	99%	≥98%	+1.3%	99%
Smooth ride: % of travel on network classed as smooth <sup>(36)</sup>	99%	≥97%	+1.7%	99%
% of availability of state highway network <sup>(37)</sup>	85%	90%	-5%	94%
% customer satisfaction <sup>(38)</sup>	48%	45%	+3%	N/A

### How do we assess our investment performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Cost of emergency reinstatement	\$60m	\$70m	+\$10m	\$56m
Cost of maintaining and operating the network excluding emergency reinstatement (\$ per lane km)	\$13,707	\$11,000-\$12,000	-\$1,707	\$12,357
Network resilience - % of travel on smooth roads	99%	>98%	+1%	99%

KEY Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for maintenance and operation of state highways were:

- › rolling out of the Network Outcome Contract (NOC), which will deliver long-term procurement efficiencies, improved contract performance and greater levels of customer satisfaction
- › commissioning the Christchurch Traffic Operations Centre (TOC), which, along with the Wellington and Auckland TOCs, is providing real-time travel information and contributing to significant improvements in traffic flow in major centres
- › beginning a traffic management partnership with the Wellington City Council, who joined the Wellington TOC to work alongside the Agency, Hutt City Council and Greater Wellington Regional Council to manage the region's roading network more efficiently
- › completing a programme resilience business case, which identified strategic routes for economic growth and opportunities, for the next GPS.

### How do we interpret our performance results?

#### *Transport Agency service delivery and investment*

Maintenance and operation of state highways achieved or exceeded three of five service delivery targets this year.

- › The achievement against service delivery and investment performance targets reflects an increase in maintenance activity to extend the service life of the network rather than undertaking asset renewal activity in some areas. This result is consistent with the new approach to asset maintenance and renewals.

- › We did not reach our target of availability of state highway network because of the effect of major weather events (mainly in the South Island) and crashes (mainly on the urban network). Of the 530 recorded unplanned events on the network, 85% were reinstated within standard timeframes.
- › We exceeded the target of the percentage of the network meeting surface texture standards. This was a result of texture being improved through renewal works, which were done for other reasons (skid resistance and waterproofing). The texture threshold is being reduced in some lower speed environments in line with the lower risk there.
- › We increased overall customer satisfaction following customer focused improvements implemented during the year and a higher level of engagement with communities to better understand and meet their needs. Satisfaction with information has also increased through our use of social media, improved relationships with media providers and our travel information systems improvements most notably in Auckland, Wellington and Christchurch.

Maintenance and operation of state highways achieved or exceeded two of three investment performance targets this year. Cost of maintaining and operating the network excluding emergency reinstatement (\$ per lane km) was higher than budget because more maintenance was done to extend the life of the asset and subsequently delay renewal.



# 3/5

DELIVERY TARGETS

# 2/3

INVESTMENT FORECASTS

**Maintenance and operation of state highways achieved or exceeded three of five service delivery targets this year.**

### Financial results

Maintenance and operation of state highways ended the year over budget by \$60m. This result is consistent with the new approach to asset maintenance and renewals, where service life is extended through maintenance, delaying the need for renewal.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	373,170	312,944	60,226	345,046
Expenditure	372,786	312,865	(59,921)	343,383
Net surplus (deficit)	384	79	305	1,663

\* For full output class income and expenditure see appendix 3, pages 132 to 142.



## OUTPUT CLASS

## SECTOR RESEARCH

**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency purchases research to improve knowledge and investment decisions made in the land transport system. The research programme informs the Transport Agency's policies and guidelines and is made available to transport stakeholders and the general public. Sector training addresses gaps in core transport capability training that cannot be addressed by other means.

**How does this output contribute to desired transport goals?**

Sector research helps integrate 'one network' and other transport goals indirectly, enabling better delivery of all other outputs. The Transport Agency manages this output to maximise the overall benefit derived from all other outputs. For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Research and transport sector capability development, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes <sup>(39)</sup>	100%	100%	-	84%

**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

## What were our key achievements?

The key achievements for sector research were:

- › growing understanding and shaping future travel demand through publishing research reports and their findings. The Transport Agency is using the national long-term transport demand model to quantify the implications for travel demand associated with a range of scenarios, and is investigating using it as a risk management tool to predict future revenue. Drivers of demand for transport are forming a base for, and are expected to be complemented by, similar research into how to model demand for other modes of transport, such as public transport, walking and cycling
- › publishing 26 research programme reports on the Transport Agency website. A further 12 research projects were completed and the associated research reports were being finalised for publication as at June 2014. In addition, 20 research projects were actively managed, including 16 new contracts that were procured during 2013/14
- › approving 48 research programme topics for investment in the upcoming 2014/15 financial year
- › publishing eight Transport Agency research newsletters, which continue to be a popular medium for the promotion and use of recently published research reports and their findings
- › investing \$1.2m in the Austroads' research programme, which provides New Zealand with considerable leverage in terms of both investment and expertise given the broad Austroads' membership. We are planning to continue this level of investment for the foreseeable future as the Transport Agency uses Austroads' standards, design and planning guides, and its work transfers well to the New Zealand context.

## How do we interpret our performance results?

### Transport Agency service delivery

Sector research achieved 100% against the service delivery performance target for this year.

Research activities were measured against three components, agreed cost, quality and timeliness.



# 1/1

**Sector research achieved 100% against the service delivery performance target for this year.**

## Financial results

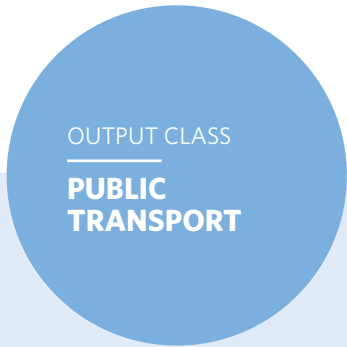
Sector research expenditure ended the year \$1.4m below the original \$5.6m allocation. This was due to the forecast research spend being adjusted down during the year based on the number of topics assessed as high priority for research and the resources available internally to manage their delivery. The Transport Agency is managing the 2012-15 sector research activity class across the NLTP's three years and is on target to expend the budget at around the middle of the target GPS allocation, with an average spend of \$4.27m per annum. A \$2.2m reduction in allocation has already been returned to the NLTF.

## How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	4,197	5,600	(1,403)	3,194
Expenditure	4,197	5,600	1,403	3,194
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

# OUTPUT CLASSES THE TRANSPORT AGENCY PARTLY DELIVERS ALONG WITH LOCAL AUTHORITIES



## What does the NZ Transport Agency do?

Under this output class, the Transport Agency invests, in conjunction with investment from approved organisations, in the renewal and improvement of road and ferry infrastructure to support public transport services, including bus lanes, bus bays, public transport facilities (eg terminals, park and ride facilities and public transport technology - including delivering the national integrated ticketing programme). Rail infrastructure is generally excluded from this activity class as the intention is to fund this outside the National Land Transport Fund.

Under the output class, the Transport Agency also invests, in conjunction with investment from approved organisations, in public road, rail and ferry (except for commercial services), and total mobility transport services.

## How does this output contribute to desired transport goals?

Public transport primarily contributes to the long-term goal of maximising return for New Zealand through providing more mode choices, easing urban congestion and the reduction in adverse environmental effects. Public transport has secondary contributions to better use of existing transport system capacity, resilience and security. It can also contribute to reducing deaths and serious injury from road crashes. These contributions are supported by administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders.

For how our outputs contribute to impacts see appendix 1, page 126.

## Scope of output class

Renewal and improvement of infrastructure to support public transport and non-commercial public transport services are authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

## How do we assess our service delivery performance?°

See 'Management of the funding allocation system' (MOFAS) for service delivery measures.

## How do we assess our investment performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Number of passengers using urban public transport services (bus, train and ferry)	138m	141m-147m	-3m	132.7m
Public transport boardings per NLTF \$ invested on public transport services (including track access charges)	0.54	0.51-0.53	-0.01	0.55
Fare revenue as a % of total expenditure (farebox recovery ratio)	46%	>47%	-1%	46.4%

KEY Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for public transport strongly reflect our priority of making the most of the urban network capacity. Highlights include:

- › investing \$256.1m across the country in public transport services and operations for 2013/14, a \$13m increase on last year. Most of this investment (90%) was in the major urban centres of Auckland, Wellington and Christchurch
- › funding half of the cost of the Panmure Station (part of the Auckland Manukau Eastern Transport Initiative – AMETI), platform extensions across 10 stations to enable six-car electric train sets to be used and a minor improvements programme, including a large component of bus-stop related works
- › contributing to improved transport options by helping fund electric trains on the Auckland and Wellington rail networks
- › leading the development of a national integrated ticketing system to provide effective and efficient public transport across the country. Contributing to the funding of Auckland's HOP smart card ticketing system, which will form an integral part of the national system.

### How do we interpret our performance results?

#### Transport Agency investment

Public transport achieved or exceeded one of the three investment performance forecasts.

While the number of passengers using urban public transport services didn't reach our target, we did achieve a 4% increase in passenger boardings over last year. Growth was mainly driven from the main centres (Auckland 5%, Wellington 2% and Canterbury 6%).

The proportion of the cost to run the service recovered from fares did not quite reach target. This is explained by increased expenditure in public transport services and operations increasing slightly more than patronage and fare revenue. Patronage and fare revenue increases did not outweigh the increase in service costs, as such there was a slight decrease on 2012/13.



# 0/3

**Public transport achieved or exceeded one of the three investment performance forecasts.**

### Financial results

End-of-year expenditure is \$43.7m below budget because there were:

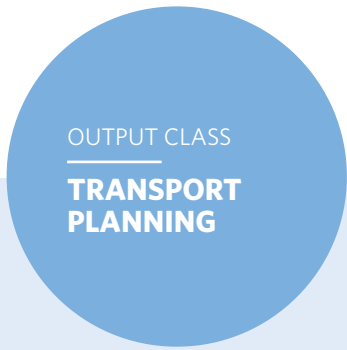
- › efficiency savings in running costs associated to Wellington's new electric train fleet
- › fewer new bus services being introduced in Auckland
- › slower than planned delivery of infrastructure projects in Auckland.

Efficiency savings are expected to continue into the final year of the NLTP, resulting in additional variance to the 2014/15 forecast and total spend across the three-year programme. The Transport Agency is on target to expend the budget at around halfway between the GPS-midpoint for the three-year allocation and the lower band (at around \$850m). Much of these savings have already been returned to the NLTF.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	272,266	316,000	(43,734)	287,532
Expenditure	272,266	316,000	43,734	284,950
Net surplus (deficit)	0	0	0	2,582

\* For full output class income and expenditure see appendix 3, pages 132 to 142.



OUTPUT CLASS

**TRANSPORT PLANNING**

**What does the NZ Transport Agency do?**

Under this output class the Transport Agency invests in and influences:

- › the development of regional land transport strategies and programmes
- › the development and improvement of service, network and asset management plans by approved organisations and in relation to state highways
- › activities that contribute to the long-term transport planning of approved organisations and the state highway network.

**How does this output contribute to desired transport goals?**

Transport planning contributes to seven of our eight desired impact areas, excluding more efficient vehicle fleets, by providing greater certainty for regional land transport strategies and programmes, infrastructure development, and activity management and investment in New Zealand's transport system.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Developing plans for improving the transport network and systems, as authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes <sup>(40)</sup>	82%	>90%	-8%	92%

**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

## What were our key achievements?

The key achievements for transport planning reflect the Agency's goal to integrate transport into 'one network' for customers through land use and transport planning, which will deliver greater safety and efficiency while growing more jobs. Highlights include:

- › shaping regional planning for the Unitary Plan with Auckland Council and key stakeholders to maximise value for money from the transport sector's investments across the entire region
- › contributing to transport studies for Northland that will reduce compliance costs and get value for money from investments and investing in Auckland South Western airport multimodal planning
- › contributing to the revision and re-endorsement of the Waikato Expressway Network Plan and investing in the Rotorua Integrated Network Strategy
- › contributing to and investing in Wellington transport planning (completing three network operating plans) and reports on the Northern Corridor RoNS network plan
- › working with CERA, ECan and CCC on Christchurch recovery planning, including ensuring that the Christchurch Land Use Recovery Plan reflects the Agency's approach to integrated land use and transportation planning. The Transport Agency led development of a Lyttelton Port Access Plan and Greater Christchurch Freight Study
- › working with the freight sector to complete the Central and Southern Freight Stories, and drafting the Upper North Island Response Plan to support efficient freight movement, including strategic routes for HPMVs.

## How do we interpret our performance results?

### Transport Agency service delivery

Overall our transport planning performance was strong with a number of key planning projects either completed or well progressed. Due to slower than expected progression on a number of projects and various state highway projects requiring additional resource, transport planning did not fully achieve the service delivery performance target this year. The incomplete work is planned for 2014/15.



# 0/1

**Transport planning achieved 82% against the service delivery performance target for this year.**

## Financial results

Transport planning expenditure ended the year \$1.1m below the \$15.9m NLTP allocation. This was the consequence of slower than expected pick-up in studies and strategies by approved organisations. We expect an increase in 2014/15 that will recover some of the underspend as expenditure ramps up on programme business case development in preparation for the 2015-18 NLTP. For the three-year programme, we expect an outturn towards the lower end of the GPS funding range.

## How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	14,927	15,990	(1,063)	13,438
Expenditure	14,927	15,990	1,063	13,438
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

OUTPUT CLASS

**ADMINISTRATION OF THE SUPERGOLD CARDHOLDERS SCHEME**

OUTPUT CLASS

**ENHANCED PUBLIC TRANSPORT CONCESSIONS FOR SUPERGOLD CARDHOLDERS**

**What does the NZ Transport Agency do?**

Under the first output class (Administration of the SuperGold cardholders scheme), the Transport Agency and regional councils administer the SuperGold cardholders scheme. Under the second output class (Enhanced public transport concessions for SuperGold cardholders) the Transport Agency provides funding to regional councils for the provision of enhanced public transport concessions for SuperGold cardholders.

Both outputs are funded as specific projects by the Crown. The Transport Agency manages the scheme on behalf of the Ministry of Transport. The local authorities participating in the scheme are mostly (but not all) regional councils. All are referred to here as 'regional councils'.

**How does this output contribute to desired transport goals?**

The SuperGold cardholders' concessionary fares scheme contributes to the long-term goal of maximising return for New Zealand by providing the elderly more transport options and improving the use of public transport capacity during off-peak hours.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Administration of the scheme to provide enhanced public transport concessions for SuperGold cardholders.

Providing enhanced public transport concessions for SuperGold cardholders.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Average number of days taken to deliver	18	20	+2	17
% of activities that are delivered to agreed standards and timeframes <sup>(41)</sup>	100%	100%	-	100%

KEY Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements in our work on the SuperGold cardholders scheme are:

- › supporting 11.9 million SuperGold card trips during the year. This represents a 7% increase over the 11.1m trips made in 2012/13
- › taking an active part in Ministry of Transport's review of the SuperGold card policy, culminating in a paper to the Associate Minister of Transport.

### How do we interpret our performance results?

#### *Transport Agency service delivery*

The SuperGold cardholders scheme achieved or exceeded all performance targets for the year.



# 2/2

The SuperGold cardholders scheme achieved or exceeded all performance targets for the year.

### Financial results

SuperGold public transport concessions overspent budget by \$205k because more people are:

- › becoming eligible for the SuperGold scheme
- › using their SuperGold card.

A Crown allocation had been provided for both the 2013/14 and 2014/15 years to administer and meet concession payments associated with the scheme. To accommodate the extra cost in 2013/14, \$205k was drawn down from the 2014/15 allocation. We envisage the remaining funding available for 2014/15 will be appropriate to meet the expected increase in usage of the scheme across this year.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	24,000	24,000	0	22,850
Expenditure	24,205	24,000	(205)	22,458
Net surplus (deficit)	(205)	0	(205)	392

\* For full output class income and expenditure see appendix 3, pages 132 to 142.



## OUTPUT CLASS

## ROAD SAFETY PROMOTION

**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency manages and invests in activities that contribute to the safe, efficient and effective use of land transport networks and services, including road-user advertising, education and information initiatives that contribute to the high- and medium-priority areas of the Safer Journeys strategy.

**How does this output contribute to desired transport goals?**

Road safety promotion primarily aims to reduce deaths and serious injuries from road crashes by influencing the behaviour of drivers and other road users, as part of the Transport Agency's long-term goals of shaping smart transport choices and maximising returns for New Zealand. For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Promote safe and economical use of land transport networks and services, pursuant to section 9 of the Land Transport Management Act 2003.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes <sup>(42)</sup>	100%	100%	-	100%
% of target audience aware of road user safety messages <sup>(43)</sup>	48%	≥70% <sup>†</sup>	-22%	75%

**KEY** Value for money Service quality Customer satisfaction

<sup>†</sup> Low target due to Safer Journeys' focus on youth, with whom it is more difficult to achieve unprompted recall.

## What were our key achievements?

The key achievements for road safety promotion reflect the role of road user behaviour in achieving the Transport Agency's long-term goal of shaping smart transport choices. Highlights of this year's programme include:

- › tailoring the Drive Social campaign so people identify that their driving affects others and widening the responsibility for road safety to the whole community through the 'Mistakes' and 'Legend' campaigns
- › continuing to invest in local authorities to address local safety issues and increase alignment to the Safer Journeys priorities. Key programmes launched during the year targeted rail safety, child restraint use and vehicle maintenance
- › receiving extensive national and international recognition for our speed and drug driving campaigns with multiple successes at leading advertising awards including:
  - the New York Festival
  - the One Show (North America's major advertising awards)
  - the Cannes Lion Awards.

## How do we interpret our performance results?

### Transport Agency service delivery

Road safety promotion achieved one of two service delivery performance targets this year.

As we change the road safety conversation, our ads are increasingly not seen as specifically about 'road safety' and consequently the measure, '% of target audience aware of road user safety messages', is becoming less useful. Overall recognition of our advertising messages continues to be very high, with 95% of people recalling one or more of our ads either freely or when prompted. We have new measures in place for 2014/15, which better reflect the success of road safety messages.



# 1/2

Road safety promotion achieved one of two service delivery performance targets this year.

## Financial results

Expenditure on road safety promotion was very close to budget, with small over and under spends largely balancing each other out.

The actual expenditure was \$345k over budget, caused by small overspends in both local and national education and advertising activities.

Over the first two years of the 2012–15 NLTP, the Road Safety Promotion activity class has spent \$60m of a forecast \$64m. \$37.6m is currently allocated for the final year. Based on the current allocation and previous underspend, this activity class is likely to have a final spend of \$91m, which is within the GPS funding range.

## How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	32,829	32,100	729	27,592
Expenditure	32,445	32,100	(345)	27,592
Net surplus (deficit)	384	0	384	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

# OUTPUT CLASSES WHERE THE TRANSPORT AGENCY INVESTS, BUT DOES NOT DELIVER SERVICES

## OUTPUT CLASS

### NEW AND IMPROVED INFRASTRUCTURE FOR LOCAL ROADS

#### What does the NZ Transport Agency do?

Under this output class the Transport Agency invests in local road improvements with approved organisations. Investments include new roads, seal extensions, new traffic management facilities and replacement of bridges and other structures.

#### How does this output contribute to desired transport goals?

New and improved infrastructure for local roads helps increase the resilience and security of freight supply chains and ease severe congestion. Improved road engineering also significantly helps reduce the risk of road crashes.

For how our outputs contribute to impacts see appendix 1, page 126.

#### Scope of output class

Management and delivery of improvement of local roads, as authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

#### How do we assess our investment performance?<sup>o</sup>

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Length of road construction and new roads completed (lane kms)	69km	120-200km	-51	89.6km
Length of bridge replacements (lane kms)	0.3km	1.0-1.5km	-0.7	1.1km

KEY Value for money Service quality Customer satisfaction

<sup>o</sup> For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for new and improved infrastructure for local roads reflects a focus on supporting growth in Auckland with several large projects under way in the region including:

- › the Auckland Manukau Eastern Transport Initiative (AMETI)
- › Tiverton-Wolverton Road
- › Glenfield Road.

Investments in other cities support regional outcomes through the following projects:

- › Christchurch projects
- › Hamilton Ring Road
- › Tauranga's Tara Road.

For more information on regional investment highlights, see pages 205 to 232.

### How do we interpret our performance results?

#### *Transport Agency service delivery and investment*

New and improved infrastructure for local roads did not achieve investment performance forecasts this year.

Investment performance achievement for length of road construction and new roads completed is affected by the completion date of forecast projects, as the actual length of road completed is only recorded at the end of the work. This result against forecast reflects ongoing construction for several large multi-year projects and low investment in new Christchurch roads as priorities in the region focus on recovery efforts.

Bridge replacement work is down across the sector as local authorities assign priority to other projects. We continue to monitor bridge replacement work, however, across the country bridges are generally in good condition with a high proportion of bridges in permanent materials and relatively few bridges restricted in speed or weight.



# 0/2

**New and improved infrastructure for local roads did not achieve investment performance forecasts this year.**

### Financial results

Expenditure ended the year under budget by \$35m, mainly due to:

- › slower than expected delivery of Christchurch roads relative to budget (about \$15m) due to changes in rebuild priorities
- › less actual delivery than planned of minor improvement programmes and Auckland infrastructure.

The underspend reflects slower than anticipated delivery of the roading aspects of the central Christchurch recovery and competing priorities for local funds. We expect expenditure to increase in the third year of the NLTP as Christchurch delivery ramps up and as local authorities utilise the remaining approved funding for minor improvements.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	125,043	160,000	(34,957)	152,562
Expenditure	125,043	160,000	34,957	152,562
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

## RENEWAL OF LOCAL ROADS

**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency invests, alongside approved organisations, in the capital expenditure and management of renewal activities required to minimise the long-term cost of retaining serviceable local roading infrastructure, including resurfacing sealed and unsealed roads, renewing drains, rehabilitating road pavements and structures, and preventative maintenance.

**How does this output contribute to desired transport goals?**

Renewal of local road infrastructure primarily contributes to maintaining the resilience and security of the whole road network, efficiency of freight supply chains and the easing of severe congestion, by ensuring that the established local road network asset condition is sustained by an ongoing capital investment programme.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

Management and delivery of renewals to the existing local road infrastructure, as authorised under sections 9(3) and 9(4) of the Land Transport Act 2003.

The reinstatement of local roads in Canterbury is limited to the reinstatements following the earthquakes as approved by the Transport Agency under relevant legislation.

**How do we assess our service delivery performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of activities that are delivered to agreed standards and timeframes	75%	100%	-25%	N/A
> reinstatement of local roads in Canterbury <sup>(44)</sup>				

See 'Management of the funding allocation system' (MOFAS) for further service delivery performance measures.

**How do we assess our investment performance?°**

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
% of sealed network resurfaced (based on road length in lane km)	6%	6-8%	-	6.5%
% of network rehabilitated (based on road length in lane km)	1%	1-2%	-	0.6%
% of unsealed network metalled (based on road length in centreline km)	16%	20-35%	-4%	28%
Pavement integrity of the sealed network	94%	≥94%	-	94%
Surface condition of the sealed network	98%	>97%	+1%	98%
Cost of renewals (excluding emergency reinstatement) per network lane km (total cost)	\$3,006*	\$2,800-\$3,300	-	\$2,692*

KEY Value for money Service quality Customer satisfaction

\* Cost of renewal for local roads reflects the full cost of the activity including an average FAR rate of 50%

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievement for renewal of local roads was continued investment in activity sustaining the road network in good serviceable condition. Achievement is shown by stable condition measures although it should be recognised that there may be variations of road condition both within and among road controlling authorities.

### How do we interpret our performance results?

#### *Transport Agency service delivery and investment*

Reinstatement of local roads in Canterbury did not achieve target this year. The rebuild of earthquake damaged transport assets in Christchurch has been slower than anticipated primarily due to delays in repairing underground assets, which must be completed before roads are repaired.

Renewal of local roads achieved five of six investment performance forecasts this year.

Overall results reflect local authorities across the country seeking to economise on renewal costs by better targeting areas of work and extending the life of existing assets through maintenance.

Local authorities report replacement metalling differently. Some report only road rebuilding and attribute replacement of metal to general maintenance, while other organisations report the total amount of metal applied to their network. Although this year's result is below forecast, a review suggests that the amount of metal being applied is generally appropriate and reasonably consistent across the country.



# 0/1

DELIVERY TARGETS

# 5/6

INVESTMENT FORECASTS

**Renewal of local roads achieved five of six investment performance forecasts this year.**

### Financial results

Renewal of local roads ended the year \$13.2m below budget. This reflects local councils' decisions to defer renewals and transfer funding to maintenance, having taken a more rigorous approach to asset renewals by maximising the life of the existing assets.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	232,761	246,000	(13,239)	204,410
Expenditure	232,761	246,000	13,239	204,410
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

## OUTPUT CLASS

## MAINTENANCE AND OPERATION OF LOCAL ROADS

### What does the NZ Transport Agency do?

Under this output class the Transport Agency invests, alongside approved organisations, in the routine maintenance and operation of local roading infrastructure, including the maintenance of pavements, structures, drains, the environment, traffic services, cycle paths and level crossings, and the emergency reinstatement of roads.

### How does this output contribute to desired transport goals?

Maintenance of local road infrastructure helps sustain the transport system. Sound management of maintenance activities and the operation of the network have a broad impact, including on better use of transport capacity, ensuring network resilience and security, freight supply chain efficiency, reducing urban congestion and the risk of road crashes.

For how our outputs contribute to impacts see appendix 1, page 126.

### Scope of output class

Maintenance and operation of existing local road infrastructure, as authorised under section 9(3) and (4) of the Land Transport Management Act 2003.

### How do we assess our service delivery performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
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See 'Management of the funding allocation system' (MOFAS) for further service delivery performance measures.

### How do we assess our investment performance?°

	Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
Smooth ride - % of travel on smooth roads	86%	≥86%	-	84%
Cost of emergency reinstatement	\$101m	\$90m	-\$11m	\$84m
Cost of maintaining and operating the network (excluding emergency reinstatement) per network lane km (total cost)	\$2,608 <sup>†</sup>	\$2,400-\$2,700	-	\$2,580 <sup>†</sup>

KEY Value for money Service quality Customer satisfaction

<sup>†</sup> Cost of maintenance and operations for local roads reflects the full cost of the activity including an average FAR rate of 50%

### What were our key achievements?

The key achievement for the maintenance and operation of local roads this year was to keep costs per lane kilometre at a similar level (1% increase) as last year while maintaining the condition of the roads and responding appropriately to emergency conditions.

### How do we interpret our performance results?

#### *Transport Agency investment*

Maintenance and operation of local roads achieved two of three investment performance targets this year.

The Transport Agency continues to work with road controlling authorities to implement the recommendations of the Road Maintenance Taskforce's report of October 2012 on procurement and asset management practices. The joint work has led to the development of a national road classification scheme and measures to assess the customer service outcomes for each class of road. It is expected that the measures will ultimately lead to more consistent levels of service and funding.

The costs of emergency work on roads were significantly affected by earthquake recovery work in Canterbury. The total value of road recovery work was \$92m – of which \$50m was funded from the NLTF, \$30m was funded direct from the Crown and \$12m was accumulated as debt.



# 2/3

**Maintenance and operation of local roads achieved two of three investment performance targets this year.**

### Financial results

Expenditure ended the year \$13.6m over budget because local authorities took a new approach to asset maintenance and renewals. The life of existing assets are being maximised by deferring renewals and transferring the funding to maintenance works.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	302,618	289,000	13,618	279,379
Expenditure	302,618	289,000	(13,618)	279,379
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.





OUTPUT CLASS

**WALKING AND CYCLING**

**What does the NZ Transport Agency do?**

Under this output class, the Transport Agency invests in new and improved walking and cycling infrastructure for transport purposes and community education and promotion activities. Walking and cycling facilities include, cycle paths, cycle lanes, new footpaths, facilities for crossing roads, shelters and bicycle parking facilities.

New walking and cycling facilities that are part of a roading improvement project are funded through the project rather than through this output class.

**How does this output contribute to desired transport goals?**

Walking and cycling infrastructure has its main impact through facilitating more transport choices in urban environments where walking or cycling is offered to the community. This contribution indirectly supports better use of transport capacity, reduced adverse environmental effects, congestion relief and reduces deaths and injuries from road crashes.

For how our outputs contribute to impacts see appendix 1, page 126.

**Scope of output class**

New and improved walking and cycling infrastructure for transport purposes, as authorised under sections 9(3) and 9(4) of the Land Transport Management Act 2003.

**How do we assess our service delivery performance?°**

Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
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See 'Management of the funding allocation system' (MOFAS) for further service delivery performance measures.

**How do we assess our investment performance?°**

Actual 2013/14	Target 2013/14	Variance 2013/14	Actual 2012/13
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Kilometres of new footpaths, cycle lanes and cycle paths	33.1km	120km - 200km	-86.9km	46.6km
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**KEY** Value for money Service quality Customer satisfaction

° For supplementary information for non-financial measurement see appendix 2, page 127.

### What were our key achievements?

The key achievements for walking and cycling were:

- › seven new cycle paths and corridor upgrades started in the Auckland region, including construction of Dominion Road corridor upgrade, investigation of Glen Innes to Tamaki Drive cycleway and Northcote Safe Cycle Routes and design of Upper Harbour Drive cycle scheme
- › continuation of the Central Motorway connection in Auckland
- › continued investment in model communities in New Plymouth and Hastings, including education and advertising as well as infrastructure
- › continued investigation into the Ngāūranga to Petone cycle/walkway and continued construction of the Tawa Stream pathway (\$1.7m)
- › continuation of southern commuter routes in Dunedin (\$1.2m).

Activities that contribute to walking and cycling outcomes are delivered in many other activity classes. For example, new facilities as part of road or public transport infrastructure; shoulder widening or reallocation of road space through maintenance and operations; education and promotion activities, such as bike to work challenges; community and school bike training and advertising, are carried out as part of the road safety promotion output class.

### How do we interpret our performance results?

#### Transport Agency investment

Walking and cycling did not achieve the investment performance forecast for the year.

The forecast for this measure was based on a ratio of actual kilometres of new pedestrian and cycle facilities to expenditure delivered in 2010/11. During that year, there were many low-cost, long distance projects, many of these being on-road cycle facilities and cycle lanes, requiring low investment in new infrastructure.

In contrast, projects during the 2012-15 NLTP have been focused more toward segregated cycleways, which need a high level of new infrastructure. Segregated cycleways are preferable because they move the cycle traffic away from existing roads to minimise conflict points with motor vehicles, but require a greater level of investment for shorter lengths of facilities.



# 0/1

**Walking and cycling did not achieve the investment performance forecast for the year.**

### Financial results

Expenditure is below budget by \$1.8m due to both approved organisations and the State Highways Programme not completing their planned activity. The majority of the underspend can be attributed to a delay to three high-value projects in Auckland, for which \$1.3m of allocated funding has been carried through to the 2014/15 year.

### How is the money spent?\*

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance 2013/14 \$000	Actual 2012/13 \$000
Income	18,197	20,000	(1,803)	8,449
Expenditure	18,197	20,000	1,803	8,449
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure see appendix 3, pages 132 to 142.

# APPENDIX 1

## HOW OUR OUTPUTS CONTRIBUTE TO IMPACTS

The Transport Agency produces 18 outputs, each of which contributes to our desired long-term impacts in different ways. The following table sets out the contribution of our outputs to our desired long-term impacts.

FUNCTION	OUTPUT CLASS	OUR DESIRED GOALS							
		Better use of existing transport capacity	More efficient freight supply chains	Resilient and secure transport network	Easing of severe urban congestion	More efficient vehicle fleets	Reductions in deaths and serious injuries from road crashes	More transport mode choices	Reduction in adverse environmental effects from road transport
PLANNING THE LAND TRANSPORT NETWORK	Management of the funding allocation system	●	●	●	●		●	●	●
	Transport planning	●	●	●	●		●	●	●
	Sector research	●	●	●	●	●	●	●	●
INVESTING IN LAND TRANSPORT	Public transport **	●		●	●		●	●	●
	Road safety promotion					●	●		
	Road Policing programme*		●	●			●		
	New and improved infrastructure for local roads*		●	●	●		●		
	Renewal of local roads*	●	●	●	●				
	Maintenance and operation of local roads*	●	●	●	●		●		●
	Walking and cycling*	●			●		●	●	●
PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM	Licensing and regulatory compliance		●			●	●		●
	Road tolling	Revenue collection supports repayment of debt-funded infrastructure investment							
	Motor vehicle registry						●	●	●
	Road user charges collection, investigation and enforcement	Revenue collection for the NLTP supports the Transport Agency's investment in the land transport system							
	Refund of fuel excise duty								
MANAGING THE STATE HIGHWAY NETWORK	New infrastructure for state highways		●	●	●		●		
	Renewal of state highways	●	●	●	●				
	Maintenance and operation of state highways	●	●	●	●		●		●
* The Transport Agency does not deliver these goods or services directly. These output classes receive NLTP investment funds. Actual outputs are delivered by approved organisations. Measures of the Transport Agency's performance, in relation to investment output classes, can be found in the management of the funding allocation system.									
** Includes administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders.									
KEY	● Major/primary contribution	● Minor/secondary contribution	NB: Where there is no dot, there may still be a small contribution						

## APPENDIX 2

# SUPPLEMENTARY INFORMATION FOR NON-FINANCIAL MEASUREMENT

**This section provides explanations and technical details for non-financial performance measures. These notes include long-term impact indicators, priority indicators, investment service indicators and result performance measures.**

Throughout this document there has been a consistent approach to rounding of non-financial performance results to the nearest whole number or one decimal place, where relevant.

### PROGRESS ON LONG-TERM GOALS

#### INTEGRATING ONE NETWORK FOR CUSTOMERS

**People movement is more efficient and reliable:**

Network productivity: speed and flow on Auckland urban network. This indicator measures lane capacity utilisation (network productivity) of the urban network. Productivity is measured in terms of the product of speed and flow compared to road lane optimal vehicle throughput. It demonstrates how effectively the current road network and operational management activities handles peak demand for vehicle movement. This indicator provides information to help deliver on our priority of making the most of urban network capacity.

The higher the productivity percentage value, the more productive the road network is, due to both speed and flow being maintained near maximum values (ie near free flow speed and capacity respectively). The lower the productivity percentage value the less productive the road network is due to either or both low traffic flow and speed. It is noted that a low productivity may also occur in scenarios of low demand and therefore may not be due to poor network performance.

**Freight movement is more efficient and reliable:**

The % of travel by high productivity motor vehicles (HPMVs) of total heavy vehicle VKT demonstrates the percentage of travel by HPMVs of the total kilometres travelled by heavy vehicles. This indicator presents the volume of higher productivity motor vehicle freight kilometres. An increase in HPMV kilometres travelled will realise increase freight efficiency as fewer truck trips are undertaken but at higher loads. This increased efficiency will help deliver on our priority of moving more freight on fewer trucks and subsequently lift the transport sectors productivity.

**There is an optimal range of travel and transport choices for each location:** The % mode share – public transport and walking and cycling. This indicator demonstrates the availability and share alternative travel choices used by the public. It is

sourced from the Ministry of Transport's Household Travel Survey and represents the percentage of journeys where public transport is used in full or in part and a combination of walking and cycling journeys on a three-year moving average.

#### SHAPING SMART TRANSPORT CHOICES

**Safe speeds:** The number of deaths and serious injuries on open roads (80–100km/h). This indicator focuses on the high proportion of road deaths (70–80%) that take place on open roads. This indicator shows progress on our priority of ensuring safe speeds on the roads to reduce deaths and serious injuries.

**Using roads safely:** The number of deaths and serious injuries in alcohol/drug related crashes. This indicator focuses on the involvement of alcohol/ drugs as a contributing factor in contributing to fatal and serious injuries.

**Using safer vehicles:** This aspect is measured by the % of new vehicles with five-star safety rating. This indicator reflects the impact that structural changes in the vehicle fleet have on road safety. An increasing proportion of new cars with a five star safety rating will, over time, have a positive impact on the number and severity of injuries suffered by individuals.

**Making efficient use of vehicles:** The efficient use of vehicles is measured by the average petrol and diesel consumption (litres) per 100 vehicle kilometres travelled. This indicator reflects changes in the fuel efficiency of the new, more efficient, vehicle fleet.

#### DELIVERING HIGHWAY SOLUTIONS FOR CUSTOMERS

**Safe highway journeys:** Safe highway journeys are measured by the number of deaths and serious injuries in head-on and run-off road crashes on state highways. This indicator reflects that road design can have considerable impact on these types of crashes.

Efficient and reliable highway journeys: Efficient and reliable highway journeys are measured by the number of resolved road closures with a duration of 12 hours or longer. This indicator reflects responsiveness to any unplanned closures that occur on the state highway network. This responsiveness ensures that disruption to the reliability and efficiency of the network is minimised.

#### **Social and environmentally responsible highways:**

The provision of socially and environmentally responsible highways is measured by the % compliance with state highway consent conditions. This indicator reflects the desire to minimise social and environmental impacts through our activities on the state highway network by complying with resource consent conditions. The measure includes conditions relating to environmental permits in

resource consents, designations, Department of Conservation concessions, Historic Places Trust authorities and building consents as recorded in Transport Agency's consent compliance management system.

## **MAXIMISING RETURNS FOR NEW ZEALAND**

#### **Efficient road maintenance investment & delivery:**

Efficient road maintenance investment is measured by the programmed savings in maintenance and operations activity in 2012-15 National Land Transport Programme. This indicator reflects the need to pursue greater value for money in a constrained funding environment. Efficient road maintenance investment and delivery is a Transport Agency priority for the next three years.

## **OUTPUT CLASSES THE TRANSPORT AGENCY DELIVERS**

### **Licensing and regulatory compliance**

8. The % *accuracy* of registers is a measure of the data input accuracy of the driver licence register (DLR), based on monthly audit checks from a random sample of 100 callers and a selection of agents' work processed against what's written on the form and recorded in DLR. The measure reflects the average of the audit results.
9. *Unit transaction cost* measures the direct unit cost of delivering a driver licence/driver testing transaction/service.
10. The % of *operational assurance activities completed* is an aggregate of three specific operational assurance activities (eg audits) of driver testing agents, transport operators and certifying agents completed against planned. Aggregation is based on the weighted volume of activity in the given year.
11. The % of *activities that are delivered to agreed standards and timeframes* is an aggregate of six specific dimensions – four audit activities of driver testing agent officers and course providers, transport operators, certifying agents and regulatory compliance and agent service delivery (with targets of >90%); and two completion rates against standards of official correspondence and transport rules development programmes (with targets of 100%). Aggregation to the overall result is based on weighted volume of activity across the components in the given year.

12. The *number of products delivered or processed* includes new and renewed driver licences, issuing of driver and transport operator testing services, certification review, border inspection, over-dimension permits, and drug and alcohol assessments funded.
13. The % of *transactions completed online* is the proportion of practical test bookings completed through the Transport Agency website divided by the total number of test bookings completed for motor vehicle and motorcycle licences.
14. The % *customer satisfaction* reflects the proportion of licensing customers who considered it easy to complete their driver licensing test booking via the internet. It is sourced from a feedback survey open to all users of the internet transaction service.

### **Road tolling**

15. *Unit transaction cost* is the direct unit cost of delivering a toll service. Cost excludes write offs, bad debts and administration fees from toll payment notices.
16. The % of *transactions completed online* is the proportion of casual trip payments and toll payment notice (TPN) transactions completed through the internet over the total number of trip and TPN payments. Toll payment notices are issued to customers who have not paid their toll fees within five days.

## Motor vehicle registry

17. The *% accuracy of register* reflects the accuracy of the information entered into the motor vehicle registry (MVR). Data verification activities are focused on confirming vehicle attributes, vehicle ownership and address information in the MVR. It combines the result of regular audit checks by regional staff, unverified owner and address information returns.
18. The *% of transactions completed online* is the proportion of motor vehicle annual licensing (new and renewals) purchased over the internet, direct connect and via an industry agent divided by the total number of motor vehicle registrations.
19. The *% customer satisfaction* reflects the proportion of motor vehicle register customers who consider the internet transaction they undertook was easy to complete. It is sourced from a feedback survey open to all users of the online transaction service. Responses are based on the following online transactions – vehicle licence renewal, bought or sold a vehicle, a registered person or stolen vehicle check, an exemption from vehicle licensing, applying for registered person name and address and revoking access to personal details.

## Road-user charges (RUC) collection, investigation and enforcement

20. The *number of products/services delivered or processed* includes light and heavy vehicle RUC licence purchases and off-road RUC rebate claims. This is an aggregate figure showing a total of assessment, enforcement and refund activities.
21. The *% of transactions completed online* is the proportion of light and heavy vehicle RUC licences purchased online over the total number of RUC licences purchased. Online refers to transactions via Direct Connect, Transact, e-RUC and automatic tellers.

## Refund of fuel excise duty (FED)

22. *Average number of days taken to deliver* is determined by how long it takes, on average, to process and approve FED refunds. Days to deliver refer to the number of working days between the date of application to the date of approval recorded in the FED database system.

23. The *number of products/services delivered or processed* is the number of FED refund applications processed or delivered for the reporting period. The volume of applications is based on the processing date.

## Management of the funding allocation system

24. The *total cost of the management of the funding allocation system* is the Transport Agency service delivery cost for this output less the cost of taxi enforcement activity and crash analysis system (CAS) business activities that are not part of the management funding allocation system.
25. The *% of operational assurance activities completed* is an aggregate of three specific dimensions: lessons learned, audits and post-implementation review programmes. Operational assurance activities are assessed according to their effectiveness, economic efficiency and strategic fit (ie high, medium, low). Aggregation is based on the weighted volume of activity in the given year.
26. The *% of activities that are delivered to agreed standards and timeframes* is an aggregate of four specific measures to monitor the quality and efficiency of managing NLTP expenditure and forecast standards, including investment approval and decision activities. All components of the measure have targets of 100%. Aggregation to the overall result is based on weighted volume of activity across the components in the given year.
27. The *average number of days taken to deliver* is determined by how long it takes, on average, to process and approve funding for a new NLTP activity. Days to funding approval is defined as the number of working days between the date of receipt to the date the approval was recorded in the transport information online system.
28. The *% customer satisfaction* demonstrates the percentage of approved organisations' stakeholders (regional, local and unitary authorities, Department of Conservation, Auckland Transport and Waitangi National Trust) that were satisfied with the relationship between their organisation and the Transport Agency. This is measured through an independently conducted survey.

## New and improved infrastructure for state highways

29. *% of activities that are delivered to agreed standards and timeframes* compares time, cost and quality of large, block and property acquisition programmes (at the time that construction commenced). It is a measure of the effectiveness of the Transport Agency as a project manager. Within each programme, time, cost and quality are equally weighted with targets of >90%. Aggregation to the overall result is based on weighted programme expenditure across the components in the given year. Construction of passing opportunities on State Highway 2 between Napier and Gisborne: The % of activities that are delivered to agreed standards and timeframes is based on the proportion of the fund spent according to scope and Vote Transport for new and improved state highway work on Buckle Street in Wellington and on passing lanes between Napier and Gisborne.

30. The *% of customers' satisfaction* demonstrates the percentage of supplier stakeholders that were satisfied with the relationship between their organisation and the Transport Agency. This is measured through an independent survey.

## Renewal of state highways

31. The *% of activities that are delivered to agreed standards and timeframes* presents the physical achievement of renewal activities and progress of state highway pavement renewal programme against baseline. It is a measure to keep track of the delivery of physical performance targets. The single component aspect of this measure examines the proportion of state highway renewal work completed compared to the planned kilometres.

32. *Safe stopping: % of travel on network above skid threshold* reflects efficiency in meeting surface texture standards (to ensure safe stopping) as per sector research. Minimum acceptable levels of skid resistance are set in relation to the road environment. The annual programme of reseals (surface renewals) is driven (in part) by the need to improve skid resistance.

33. *Network resilience: % of rutting >20mm over state highway network* is the proportion of rutting above the 20mm threshold over the length of the state highway network. Rutting in the road surface (long shallow channels generally found

in wheelpaths) is one of the key indicators of the health of the underlying pavement and the need for pavement renewal. Ruts often also hold water and thus lower skid resistance.

## Maintenance and operation of state highways

34. The *% of activities that are delivered to agreed standards and timeframes* presents the physical achievement of maintenance activities and progress of state highway maintenance programme against baseline. It is a measure to keep track of the delivery of physical performance targets. The single component aspect of this measure examines expenditure against budget outlined in the state highway annual budget.

35. *Safe stopping: % of network meeting surface texture standards* reflects efficiency in meeting surface texture standards (to ensure safe stopping) as per sector research. Maintenance of the state highway focuses on ensuring skid resistance (to ensure safe stopping). Minimum acceptable levels of skid resistance are set in relation to the road environment. The annual programme of reseals (surface renewals) is driven (in part) by the need to maintain network skid resistance.

36. *Smooth ride: % of travel on network classed as smooth* is the proportion of travel (proportion of vehicle kilometres travelled on the network surveyed) that occurs on pavements smoother than a nominated surface texture standard, over the length of the network surveyed.

37. *Availability of state highway network: % of unplanned road closures resolved within 12 hours.* It is expressed as the sum of all unscheduled road closure incidences (both urban and rural), which have a significant impact on road users, addressed within standard timeframes (ie urban <2 hours; rural <12 hours) and protocol over the total number of road closure incidences.

38. The *% customer satisfaction* reflects the proportion of the public who are satisfied with the availability of network information and the overall rating of the state highways in New Zealand. It is sourced from several customer surveys. These are computer-aided telephone interviewing (CATI) design surveys with quotas set for target audiences according to age, race, gender and residential region (prescribed numbers are set for each to ensure balance and fairness).

## Sector research

39. The % of activities that are delivered to agreed standards and timeframes is a measure that compares planned time, cost and quality of

research investment with actual performance. All aspects have targets of 100% and contribute equally to the overall result. It is a measure of the effectiveness of the Transport Agency as a programme manager.

## OUTPUT CLASSES THE TRANSPORT AGENCY PARTLY DELIVERS ALONG WITH APPROVED ORGANISATIONS

### Transport planning

40. The % of activities that are delivered to agreed standards and timeframes includes transport planning, studies, strategies and models and activity management planning activities. These components are individually assessed against targets of >90%. Aggregation of these results is based on the weighted volume of activity for each area. The Transport Agency works collaboratively with its partners as they prepare strategies, plans and packages to help ensure that when they are formally received they are of high quality, meet the Transport Agency assessment criteria and are therefore suitable for support or endorsement by the Transport Agency. It provides an indication of how well the Transport Agency manages its transport planning activities to time and cost standards.

between the date the payment was made and the date the claim was submitted to or recorded in the Transport Information Online (TIO) or Land Transport Programme (LTP) website by the regional council. Claims are received, validated and paid electronically.

### Road safety promotion

42. The % of activities that are delivered to agreed standards and timeframes is a measure of timeliness and effectiveness in delivering road safety education, advertising and promotion. Components of this measure look at the percentage of the road safety education and advertising campaigns completed on time and the percentage of education and promotion programmes that meet forecast participation rates. All components have a 100% target and contribute equally to the overall result.

### Administration of the SuperGold cardholders' scheme and enhanced public transport concessions for SuperGold cardholders

41. The % of activities that are delivered to agreed standards and timeframes is a measure of our speed of processing and approving SuperGold claims to regional councils. The component measure is the average number of days taken to process claims received from regional councils. Days to process is defined as the difference

43. The % of target audience aware of road user safety messages is a measure based on a computer-aided telephone interviewing (CATI) design survey with quotas set for target audiences according to age, race, gender and residential region (prescribed numbers are set for each to ensure balance and fairness). It is currently limited to advertising and television. The scope to include other communication media, such as print, web (eg YouTube) and phone (eg Twitter), is currently being considered.

## OUTPUT CLASSES WHERE THE TRANSPORT AGENCY INVESTS, BUT DOES NOT DELIVER SERVICES

### Renewal of local roads

44. The % of activities that are delivered to agreed standards and timeframes is the proportion of the fund spent according to scope and Vote Transport estimates for the reinstatement of earthquake damaged local roads in Canterbury.



## APPENDIX 3 OUTPUT CLASS INCOME AND EXPENDITURE

### PLANNING AND INVESTING IN LAND TRANSPORT NETWORKS

MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM			
	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>INFLOWS</b>			
Crown (crash analysis system)	771	775	775
National Land Transport Fund	29,573	30,000	28,838
Other	142	0	0
Total inflows	30,486	30,775	29,613
<b>OUTFLOWS</b>			
Transport Agency operating activities (crash analysis system)	1,021	775	731
Transport Agency operating activities (taxi enforcement and RSC)	0	514	71
Transport Agency operating activities	29,715	29,486	28,767
Total outflows	30,736	30,775	29,569
<b>NET SURPLUS/(DEFICIT)</b>	<b>(250)</b>	<b>0</b>	<b>44</b>

TRANSPORT PLANNING			
	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>INFLOWS</b>			
National Land Transport Fund	14,495	15,990	13,438
Other	432	0	0
Total inflows	14,927	15,990	13,438
<b>OUTFLOWS</b>			
Transport Agency operating activities	4,291	4,150	7,055
Funding to approved organisations	10,636	11,840	6,383
Total outflows	14,927	15,990	13,438
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>SECTOR RESEARCH</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	4,197	5,600	3,194
Total inflows	4,197	5,600	3,194
<b>OUTFLOWS</b>			
Transport Agency operating activities	4,197	5,600	3,194
Total outflows	4,197	5,600	3,194
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>PUBLIC TRANSPORT</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	271,926	316,000	287,532
Other	340	0	0
Total inflows	272,266	316,000	287,532
<b>OUTFLOWS</b>			
Transport Agency operating activities	573	2,963	2,607
Funding to approved organisations (PT infrastructure)	15,554	33,037	39,466
Funding to approved organisations (PT services)	256,139	280,000	242,877
Total outflows	272,266	316,000	284,950
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>2,582</b>

<b>ROAD SAFETY PROMOTION</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	31,453	32,100	27,592
Community Road Safety Programme	1,018	0	0
Other	359	0	0
Total inflows	32,829	32,100	27,592
<b>OUTFLOWS</b>			
Transport Agency operating activities (community road safety programme)	634	0	0
Transport Agency operating activities (vehicle impoundment)	151	200	201
Transport Agency operating activities	18,844	21,017	15,892
Funding to approved organisations	12,816	10,883	11,499
Total outflows	32,445	32,100	27,592
<b>NET SURPLUS</b>	<b>384</b>	<b>0</b>	<b>0</b>

<b>NEW AND IMPROVED INFRASTRUCTURE FOR LOCAL ROADS</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	125,043	160,000	152,562
Total inflows	125,043	160,000	152,562
<b>OUTFLOWS</b>			
Funding to approved organisations	125,043	160,000	152,562
Total outflows	125,043	160,000	152,562
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>RENEWAL OF LOCAL ROADS</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	232,761	246,000	204,410
Total inflows	232,761	246,000	204,410
<b>OUTFLOWS</b>			
Funding to approved organisations	232,761	246,000	204,410
Total outflows	232,761	246,000	204,410
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>MAINTENANCE AND OPERATION OF LOCAL ROADS</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	302,607	289,000	279,379
Other	11	0	0
Total inflows	302,618	289,000	279,379
<b>OUTFLOWS</b>			
Funding to approved organisations	290,445	289,000	279,379
Funding to AOs (Christchurch earthquake funding)	12,173	0	0
Total outflows	302,618	289,000	279,379
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>WALKING AND CYCLING</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	17,947	20,000	8,449
Other	250	0	0
Total inflows	18,197	20,000	8,449
<b>OUTFLOWS</b>			
Funding to approved organisations	18,197	20,000	8,449
Total outflows	18,197	20,000	8,449
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM

<b>LICENSING AND REGULATORY COMPLIANCE</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Crown (ministerial advice & official correspondence)	548	548	548
Crown (rules development)	824	899	674
Crown (drug and alcohol assessments)	1,200	1,100	1,100
Crown (driver licensing system)	900	806	600
Crown (driver test subsidy)	1,445	1,445	1,445
Fees and charges	76,909	66,575	70,366
Other	928	1,600	960
Total inflows	82,754	72,973	75,693
<b>OUTFLOWS</b>			
Ministerial advice and official correspondence	826	548	852
Rules development	601	899	1,061
Drug and alcohol assessments	1,256	1,100	1,075
Fees and charges funded activities	75,845	70,180	66,698
Other (including driver licensing system)	1,166	1,907	926
Total outflows	79,694	74,634	70,612
<b>NET SURPLUS/(DEFICIT)</b>	<b>3,060</b>	<b>(1,660)</b>	<b>5,081</b>

<b>ROAD TOLLING</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Fees and charges	6,056	5,696	5,843
Total inflows	6,056	5,696	5,843
<b>OUTFLOWS</b>			
Transport Agency operating activities	5,481	5,763	5,272
Total outflows	5,481	5,763	5,272
<b>NET SURPLUS/(DEFICIT)</b>	<b>575</b>	<b>(67)</b>	<b>571</b>

<b>MOTOR VEHICLE REGISTRY</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Fees and charges	56,779	53,700	54,295
Total inflows	56,779	53,700	54,295
<b>OUTFLOWS</b>			
Transport Agency operating activities	54,033	52,000	51,795
Total outflows	54,033	52,000	51,795
<b>NET SURPLUS</b>	<b>2,747</b>	<b>1,700</b>	<b>2,500</b>

<b>ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Crown (RUC collection)	15,630	10,317	17,002
Crown (RUC investigation and enforcement)	3,835	6,279	0
Crown (RUC refund)	470	450	0
<b>Total inflows</b>	<b>19,935</b>	<b>17,046</b>	<b>17,002</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities (RUC collection)	12,746	12,817	16,016
Transport Agency operating activities (RUC investigation and enforcement)	3,835	3,779	0
Transport Agency operating activities (RUC refund)	470	450	0
<b>Total outflows</b>	<b>17,051</b>	<b>17,046</b>	<b>16,016</b>
<b>NET SURPLUS</b>	<b>2,884</b>	<b>0</b>	<b>986</b>

<b>REFUND OF FUEL EXCISE DUTY</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Crown	429	429	429
<b>Total inflows</b>	<b>429</b>	<b>429</b>	<b>429</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	505	429	461
<b>Total outflows</b>	<b>505</b>	<b>429</b>	<b>461</b>
<b>NET (DEFICIT)</b>	<b>(76)</b>	<b>0</b>	<b>(32)</b>

## MANAGING THE STATE HIGHWAY NETWORK

NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS			
	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>INFLOWS</b>			
Capital contribution National Land Transport Fund	614,975	536,600	430,064
National Land Transport Fund (renewals)	517,974	417,000	471,295
National Land Transport Fund (interest income)	2,096	20,600	34,525
Other (contributions)	18,904	0	0
State highway disposals	79,693	0	60,771
Borrowing (for toll roads)	0	120,000	0
Total inflows	1,233,642	1,094,200	996,655
<b>OUTFLOWS</b>			
Transport Agency operating activities	31,299	31,760	32,525
Transport Agency investment in the state highway network	1,199,010	1,096,240	960,034
Transport Agency investment in the state highway network (for toll roads)	0	31,000	0
Total outflows	1,230,309	1,159,000	992,559
<b>NET SURPLUS/(DEFICIT)</b>	<b>3,333</b>	<b>(64,800)</b>	<b>4,096</b>

RENEWAL OF STATE HIGHWAYS			
	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>INFLOWS</b>			
Capital contribution National Land Transport Fund	161,252	222,000	175,009
Other (contributions)	7,341	0	0
Total inflows	168,593	222,000	175,009
<b>OUTFLOWS</b>			
Transport Agency operating activities	10,710	8,000	9,815
Transport Agency investment in the state highway network	157,883	214,000	165,194
Total outflows	168,593	222,000	175,009
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>



<b>MAINTENANCE AND OPERATION OF STATE HIGHWAYS</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
National Land Transport Fund	348,382	312,000	342,209
National Land Transport Fund (rental and interest income)	17,048	0	0
Other (fees and contributions)	7,741	944	2,837
<b>Total inflows</b>	<b>373,170</b>	<b>312,944</b>	<b>345,046</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	12,950	13,949	10,242
Transport Agency investment in the state highway network	359,836	298,916	333,141
<b>Total outflows</b>	<b>372,786</b>	<b>312,865</b>	<b>343,383</b>
<b>NET SURPLUS</b>	<b>384</b>	<b>79</b>	<b>1,663</b>

## SPECIFIC PROJECTS FUNDED BY THE CROWN

<b>REINSTATEMENT OF LOCAL ROADS IN CANTERBURY</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Crown	30,800	40,694	26,200
<b>Total inflows</b>	<b>30,800</b>	<b>40,694</b>	<b>26,200</b>
<b>OUTFLOWS</b>			
Funding to approved organisations	30,351	40,694	35,019
<b>Total outflows</b>	<b>30,351</b>	<b>40,694</b>	<b>35,019</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>449</b>	<b>0</b>	<b>(8,819)</b>

**ENHANCED PUBLIC TRANSPORT CONCESSIONS FOR SUPERGOLD CARDHOLDERS**

	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>INFLOWS</b>			
Crown	23,905	23,905	22,755
Total inflows	23,905	23,905	22,755
<b>OUTFLOWS</b>			
Funding to approved organisations	24,110	23,905	22,363
Total outflows	24,110	23,905	22,363
<b>NET SURPLUS/(DEFICIT)</b>	<b>(205)</b>	<b>0</b>	<b>392</b>

**ADMINISTRATION OF SUPERGOLD CARDHOLDERS**

	Actual 2013/14 \$000	Budget 2013/14 \$000	Actual 2012/13 \$000
<b>INFLOWS</b>			
Crown	95	95	95
Total inflows	95	95	95
<b>OUTFLOWS</b>			
Transport Agency operating activities	95	95	95
Total outflows	95	95	95
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CONSTRUCTION OF PASSING OPPORTUNITIES ON SH2 BETWEEN NAPIER AND GISBORNE</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Crown	3,350	3,500	150
Total inflows	3,350	3,500	150
<b>OUTFLOWS</b>			
Transport Agency investment in the state highway network	3,350	3,500	150
Total outflows	3,350	3,500	150
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>NATIONAL WAR MEMORIAL PARK</b>			
	<b>Actual 2013/14 \$000</b>	<b>Budget 2013/14 \$000</b>	<b>Actual 2012/13 \$000</b>
<b>INFLOWS</b>			
Capital contribution Crown	25,000	20,000	15,000
Total inflows	25,000	20,000	15,000
<b>OUTFLOWS</b>			
Transport Agency investment in the state highway network	25,000	20,000	15,000
Total outflows	25,000	20,000	15,000
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>