



NATIONAL LAND TRANSPORT FUND ANNUAL REPORT

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

FOR THE YEAR ENDED
30 JUNE 2015

NLTF INVESTMENTS AT A GLANCE

206

SECTION A OVERVIEW OF 2012-15

208

Chair and Chief
Executive's report
209

SECTION B THE LAND TRANSPORT INVESTMENT SYSTEM

210

The land transport
investment
system 211

SECTION C INVESTMENT OVER 2012-15

216

Use of the National Land Transport Fund 217	National achievements 222	Regional highlights 225	2015-18 National Land Transport Programme 254
--	---------------------------------	-------------------------------	---

SECTION D STATEMENT OF PERFORMANCE

255

Statement of responsibility 256	National Land Transport Fund statement of performance 2014/15 257
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SECTION E FINANCIAL STATEMENTS AND AUDIT REPORT

262

Financial statements 263	Notes to the financial statements 266	Output class funding to the NZ Transport Agency 275	Independent auditor's report 276
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LAND TRANSPORT INVESTMENT

The NZ Transport Agency is responsible, under the Land Transport Management Act 2003, for allocating and investing the National Land Transport Fund (NLTF) and preparing the National Land Transport Programme (NLTP). As part of this responsibility, the Transport Agency must prepare an annual report on the NLTF, including how the funding of activities under the NLTP contributes to the Government Policy Statement on Land Transport (GPS).

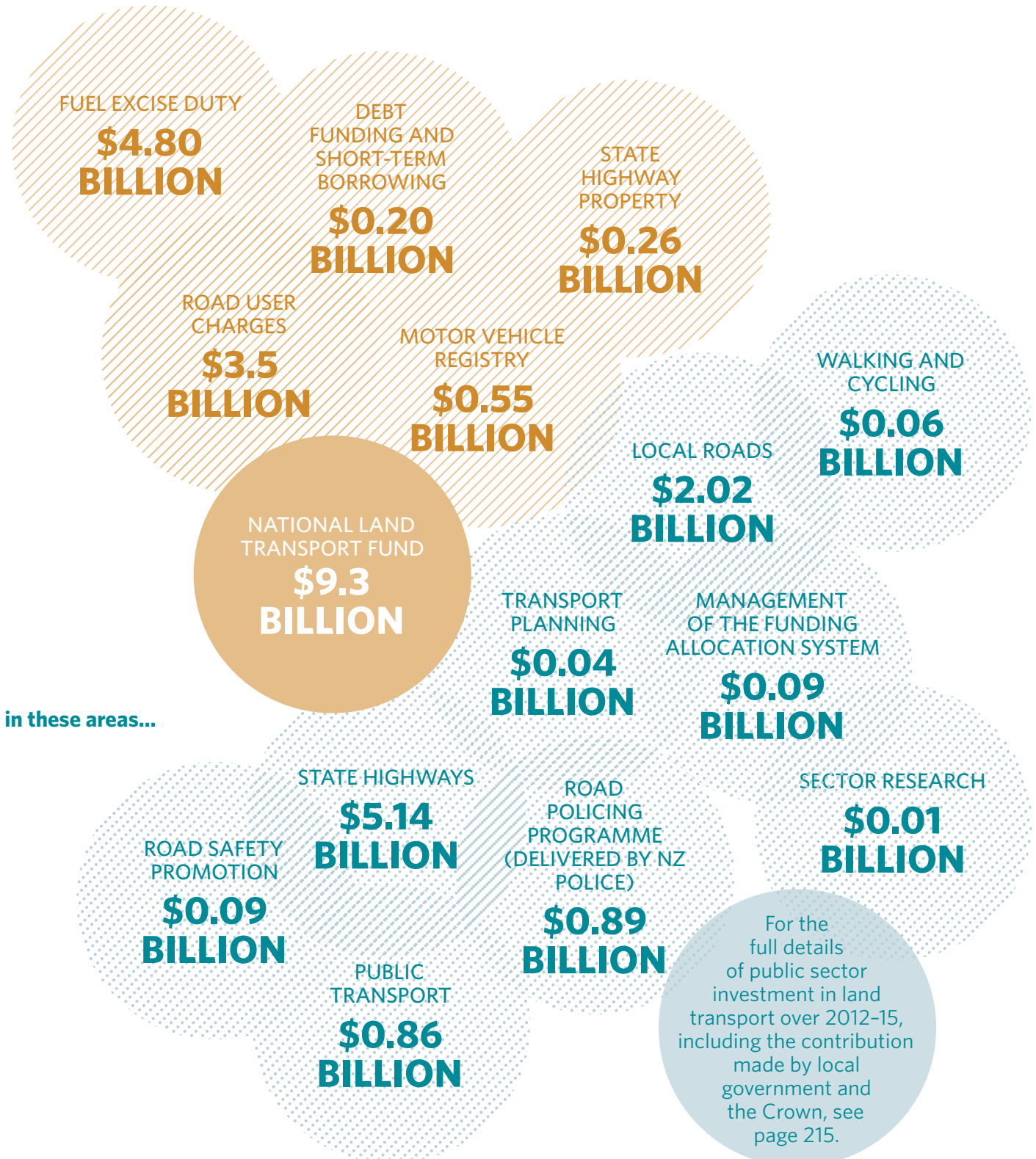
The NLTF is a dedicated fund for maintaining and developing local and national transport services and the NLTP is a three-year planning and investment programme of the transport activities the Transport Agency intends to fund to give effect to the GPS. The NLTP invests the NLTF and co-invests funds contributed by local government and the Crown.

The activities in the NLTP are delivered in partnership between the Transport Agency, local authorities, the NZ Police and other transport sector stakeholders. The outcomes and achievements presented in this report are the result of the collective investment in land transport – that is, the NLTF, local government, and the Crown – and the efforts of all those delivering the activities in and around the NLTP. Where the Transport Agency is funded to deliver activities in the NLTP, performance is reported in the *NZ Transport Agency annual report*.

For more detail on the land transport investment system, see section B of this report.

NLTF INVESTMENTS AT A GLANCE

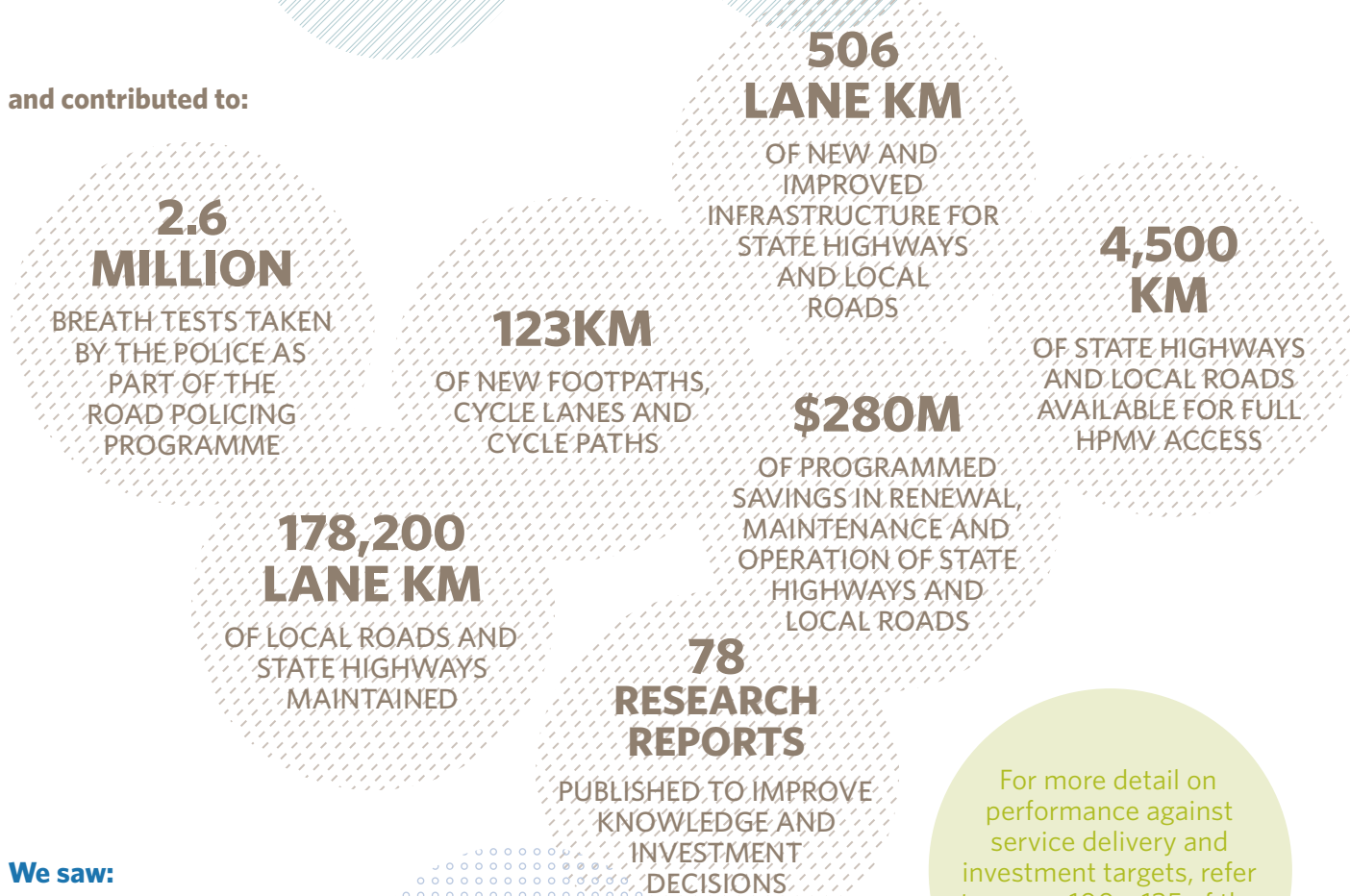
Over the 2012-15 National Land Transport Programme,
the National Land Transport Fund invested...



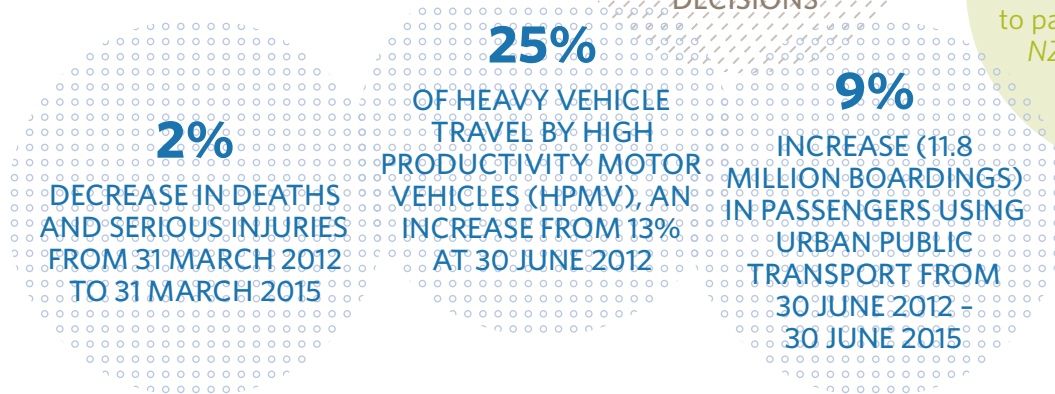
this investment targeted...



and contributed to:



We saw:



For more detail on performance against service delivery and investment targets, refer to pages 100 - 135 of the NZ Transport Agency annual report.

SECTION A OVERVIEW OF 2012-15

Local school visits
the MacKays to Peka
Peka project to see
construction in action

CHAIR AND CHIEF EXECUTIVE'S REPORT

We are pleased to present the 2014/15 annual report of the National Land Transport Fund (NLTF). This year also completes the 2012-15 National Land Transport Programme (NLTP) – an ambitious programme that has helped to build a safer, more efficient and resilient transport network for all New Zealanders.

The NLTF and the NLTP are an integral part of New Zealand's land transport system, co-investing funding collected from road users and contributions from local government and the Crown so that together the NZ Transport Agency, local authorities, NZ Police and other transport sector stakeholders can deliver transport solutions that help New Zealand thrive.

Total direct NLTF investment for three years ending June 2015 was \$9.2 billion, representing 99% of the forecast published in the 2012-15 NLTP. The Transport Agency has worked closely with co-investment partners to plan this investment and shape an additional \$2.4 billion of local investment in local transport activities and \$0.22 billion of direct Crown investment.

Together, we made some significant contributions to New Zealand's land transport network. In Christchurch, for instance, about \$150 million from the NLTF was invested to reinstate the earthquake damaged transport network. Around New Zealand, substantial progress was made on the roads of national significance, including the Western Ring Route completion package in Auckland, Waikato Expressway, Tauranga Eastern Link, Wellington Northern Corridor and Christchurch Motorways. Local authorities continued to improve the safety and resilience of our local roads as well as delivering projects to ease congestion and increase the range of travel choices available to New Zealanders.

The Transport Agency follows robust and transparent processes to make sure it plans and invests for the right outcomes and that public money is used wisely. An Investment Assessment Framework helps to make the mix of investments that represents the best value for money and contributes to the priorities in the Government Policy Statement on Land Transport (GPS). As part of this decision-making, the Transport Agency applies the same level of scrutiny to its own activities as to those proposed by other organisations.

The Transport Agency also takes a long-term view of investment planning to ensure expenditure from the NLTF is balanced with the revenue expected to be available from fuel excise duty, road user charges, motor vehicle registry fees and state highway property sales and income.

This year the Transport Agency continued to refine its investment and asset management practices. For instance, it reviewed the Funding Assistance Rates (FAR) for local government co-investment, reviewed its business case approach for NLTP proposals, and established the One Network Road Classification, all of which lay the foundations for better transport investment and decision making in the 2015-18 NLTP.

We want to recognise the contribution of co-investment partners and the Crown to the total investment in land transport and the collective efforts of Transport Agency staff, partners and stakeholders in delivering the programme. Only by working together can we deliver the Government's priorities for investment in land transport – economic growth and productivity, a sharper and broader focus on value for money, and improving road safety.



CHRIS MOLLER

Chair
NZ Transport Agency
19 OCTOBER 2015



GEOFF DANGERFIELD

Chief Executive
NZ Transport Agency
19 OCTOBER 2015

**THE
TRANSPORT
AGENCY
FOLLOWS
ROBUST AND
TRANSPARENT
PROCESSES TO
MAKE SURE
IT PLANS AND
INVESTS FOR
THE RIGHT
OUTCOMES
AND THAT
PUBLIC
MONEY IS
USED WISELY.**

SECTION B THE LAND TRANSPORT INVESTMENT SYSTEM

The specially created
'twin bridge bangers'
for the opening of the
Waitaki Bridges



THE LAND TRANSPORT INVESTMENT SYSTEM

This section describes the relationship between the National Land Transport Fund (NLTF) and the National Land Transport Programme (NLTP) and the role of the NZ Transport Agency in the land transport investment system (as shown in figure 1). More information about what the Transport Agency does and how its performance is measured can be found in the statement of performance for Management of the funding allocation system (page 100 of the *NZ Transport Agency annual report*).

NATIONAL LAND TRANSPORT FUND

The NLTF is a fully hypothecated (ring-fenced) transport fund made up of fuel excise duty, road user charges, a portion of the annual vehicle licensing fee, and income from the sale and lease of state highway property. This means that all the revenue collected from transport users is dedicated to investment in land transport.

The NZ Transport Agency Board has independent statutory responsibilities for the allocation and investment of the NLTF, which occurs through the NLTP.

NATIONAL LAND TRANSPORT PROGRAMME

The NLTP is a three-year planning and investment partnership between the Transport Agency, local authorities, NZ Police and transport sector stakeholders. It sets out the programme of transport activities the Transport Agency intends to fund to give effect to the Government Policy Statement on Land Transport (GPS).

The NLTP co-invests funds from NLTF, local government and the Crown (see figure 3) and contains all land transport activities that may be considered for investment during the three-year programme under activity classes for: public transport, road policing, road safety promotion, walking and cycling, and state highway and local road construction and maintenance. No transport activity can be funded from the NLTF unless it is in the NLTP.

INVESTMENT STRATEGY

The Government sets the strategic direction for the investment of the NLTF through the Government Policy Statement on Land Transport (GPS) and determines the funding range allocations to each activity class, thereby shaping the investment across modes and the transport system.

When developing the NLTP, the Transport Agency uses an Investment Assessment Framework to ensure that it gives effect to the GPS and to determine which activities will receive funding within the overall funding ranges.

The Investment Assessment Framework is a prioritisation tool that helps to optimise the mix of investments that represent the best value for money and contribute to the Government's priorities. When approved organisations, including parts of the Transport Agency and regional partners, develop proposals for the NLTP, they are expected to follow a four-stage business case approach. At each stage, the Investment Assessment Framework is used to ensure the proposal identifies the right issues and opportunities and puts forward appropriate responses that are eligible for funding through the NLTP.

Specifically, all proposals are assessed against three criteria:

- 1. Strategic fit:** whether the benefits identified in a proposal align with the GPS results.
- 2. Effectiveness:** whether the business case approach has been applied to ensure the best solution is put forward.
- 3. Benefit and cost appraisal:** identifies all possible monetised whole-of-life costs and benefits.

This year, the development of the 2015-18 NLTP aimed to deliver more value to users of the transport system by:

- being clearer with investment partners about the outcomes to be achieved for users of the transport system
- optimising programmes to deliver these outcomes, by working with our partners to do the right things, at the right time, for the right price
- refining the balance of investment between the NLTF and local government through a review of Funding Assistance Rates.

The One Network Road Classification, which categorises roads based on the functions they perform as part of an integrated national network, ongoing improvements to the evidence base, and the new business case approach have also supported the drive to deliver more value.

FUNDING AND ASSESSMENT SYSTEM

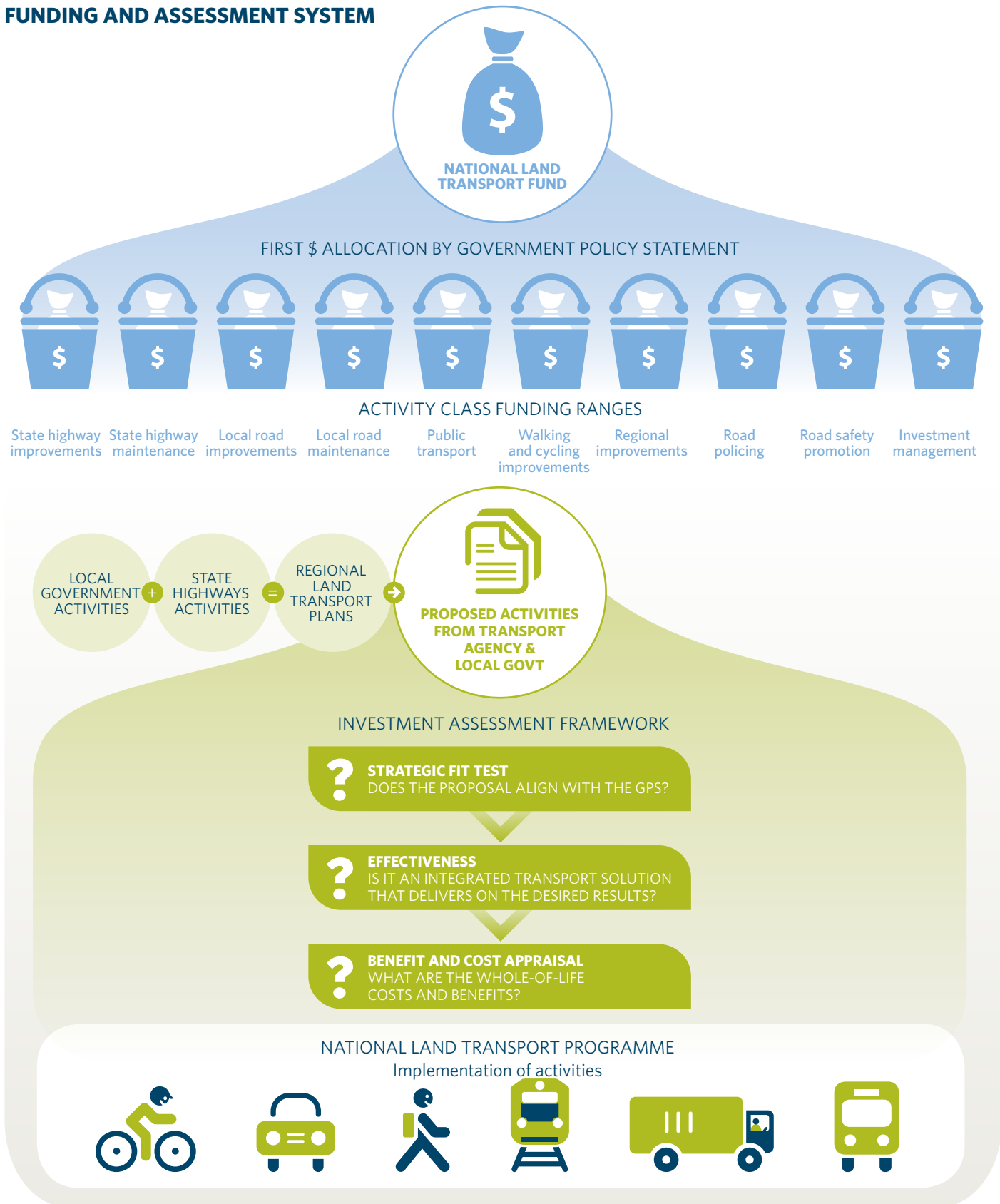


Figure 1 - National land transport funding and assessment system

TOTAL PUBLIC SECTOR INVESTMENT

Total investment in the land transport system for the three years ending June 2015, shown in figures 2 and 3, is estimated to be around \$15.4 billion. The NLTF invested \$9.3 billion of this expenditure, and the NLTP investment priorities accounted for \$11.9 billion, with the remainder made up of unsubsidised spending by local authorities (for example, works paid for by local rates), investment by government in rail and other transport initiatives, and contributions made by private developers to local roads.

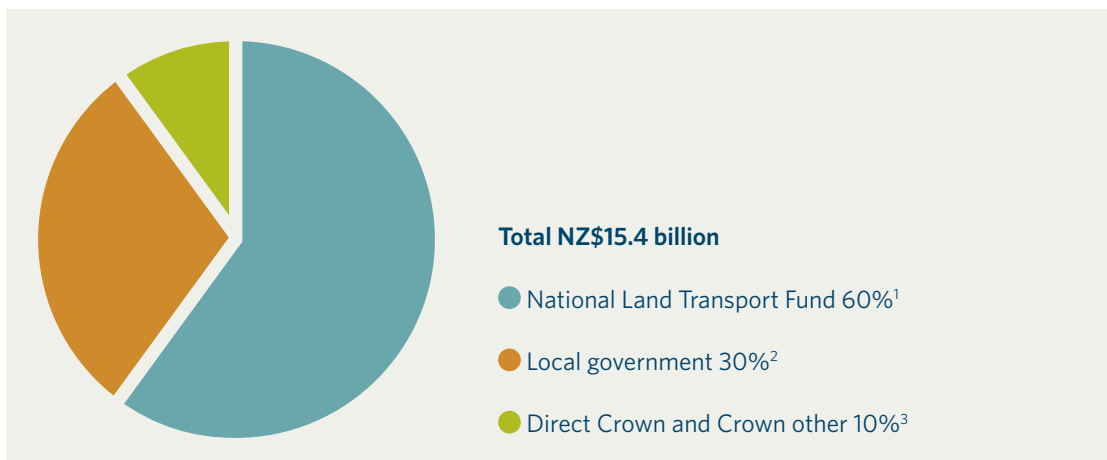


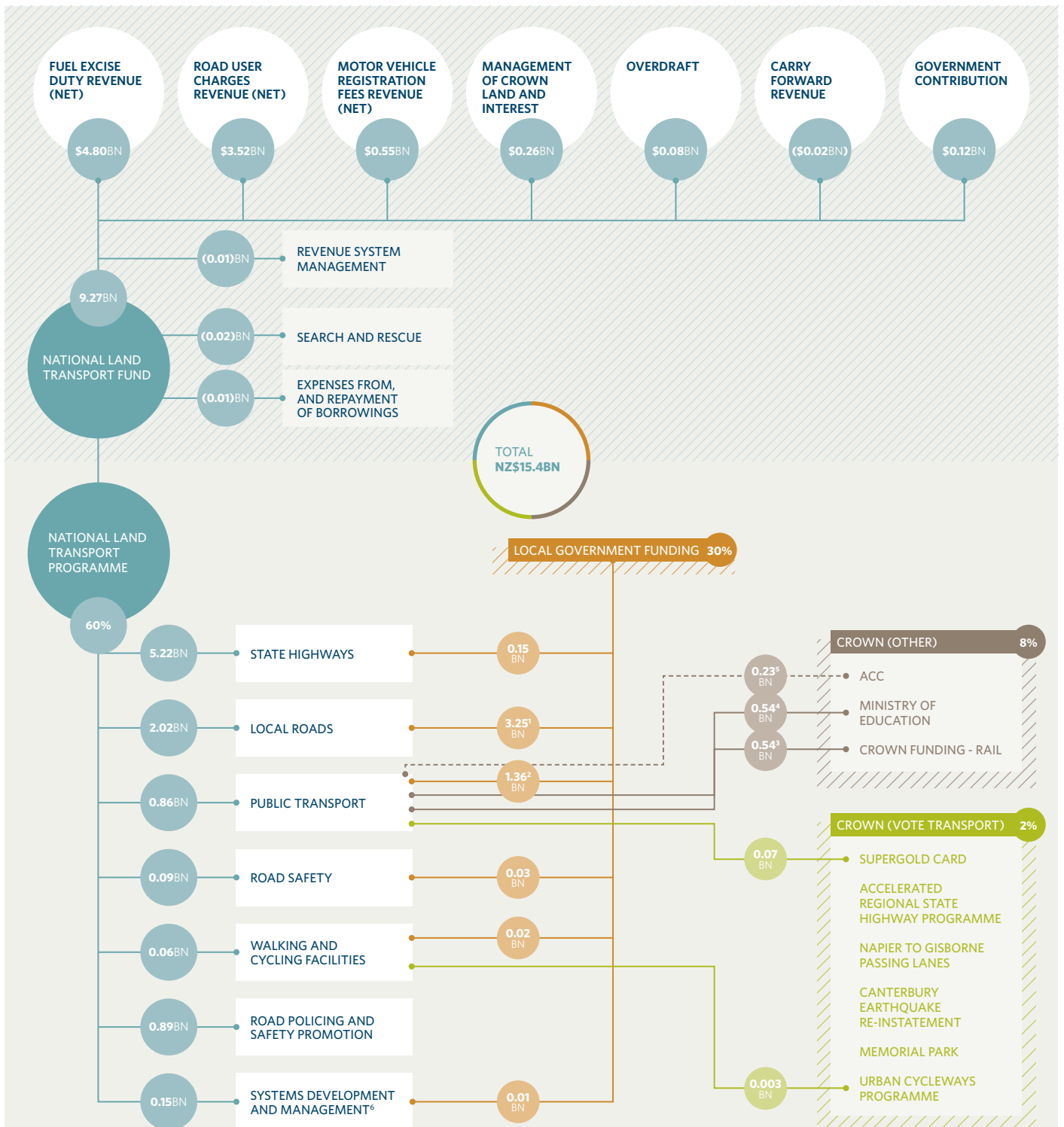
Figure 2 – Summary of total public sector investment in land transport over 2012-15

¹ Includes spending on road policing and road safety promotion

² Includes both subsidised and unsubsidised estimates of expenditure

³ Includes Crown spending on the Accelerated Regional State Highway Programme, passing lanes on State Highway 2 between Napier and Gisborne, the reinstatement of local roads in Canterbury, concessionary payments for SuperGold card, the Arras Tunnel under Memorial Park in Wellington and the Urban Cycleways Programme.

Other refers to investment in rail, estimates of spending by the Ministry of Education on school buses and ACC outlays on 'conveyance for treatment'.



¹ Made up of a subsidised amount of NZ\$1.62 bn plus an unsubsidised estimate of NZ\$1.65bn.

² Made up of a subsidised amount of NZ\$0.71bn plus an unsubsidised estimate of NZ\$0.65bn.

³ Rail funding for KiwiRail Turnaround Plan of NZ\$0.54bn.

⁴ Ministry of Education expenditure on school buses amounts to about NZ\$0.18bn per annum.

⁵ Estimated ACC expenditure of about NZ\$0.08bn per annum.

⁶ Systems development and management includes management of the funding allocation system, transport planning and sector research.

NOTE: An estimated NZ\$0.2bn of additional spending in walking and cycling facilities is included as an investment in state highways, local roads, road safety and systems development and management.

Figure 3 - Total public sector investment in land transport 2012-15

SECTION C INVESTMENT OVER 2012-15

During the Mingha Bluff project, fish native to the area have been temporarily relocated until a new habitat can be created for them

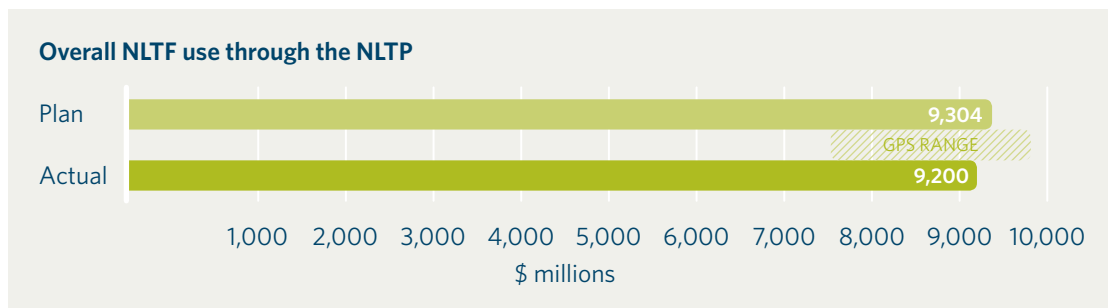


USE OF THE NATIONAL LAND TRANSPORT FUND

This section details the investments that the National Land Transport Fund (NLTF), through the National Land Transport Programme (NLTP), made for the three years to 30 June 2015 against plan (as published in the 2012-15 NLTP).¹

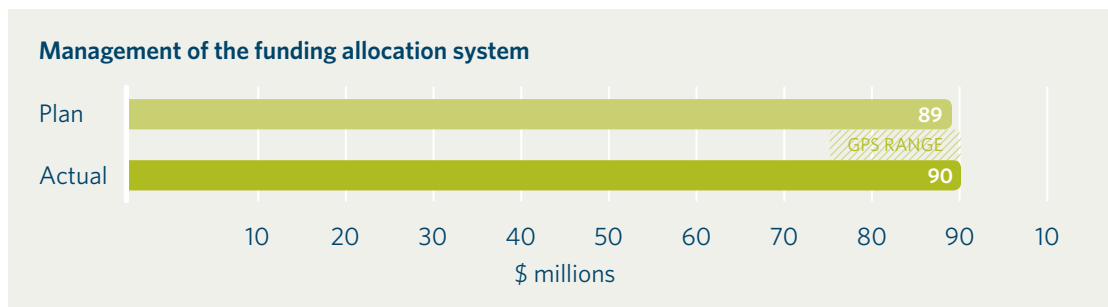
It does not account for NLTP funds contributed by local authorities or other sources. Additionally, the figures take a cash perspective on the use of NLTF funds and excludes non-cash items such as depreciation and book value movements.

OVERALL USE OF THE FUND

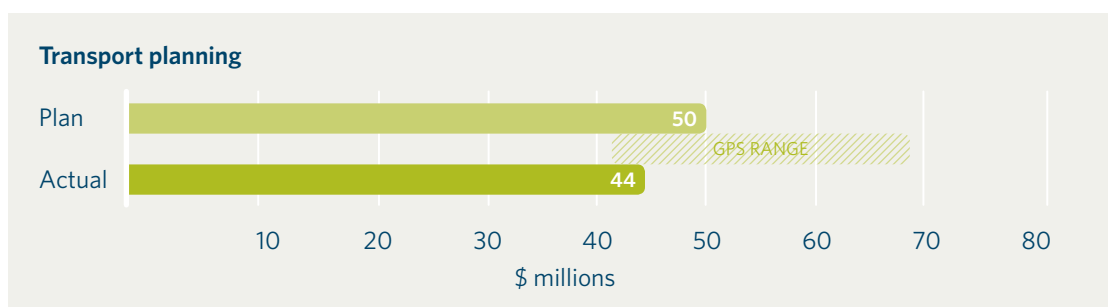


Overall the use of NLTF funds during the NLTP was 99% of the published NLTP. This result reflects lower revenue flows into the NLTF than initially forecast. Some activity classes have either under delivered on planned programmes or have delivered the programmes but at a lower cost. The funds not used in these activity classes have been directed to high priority projects elsewhere in the overall programme.

USE OF THE FUND BY ACTIVITY CLASS

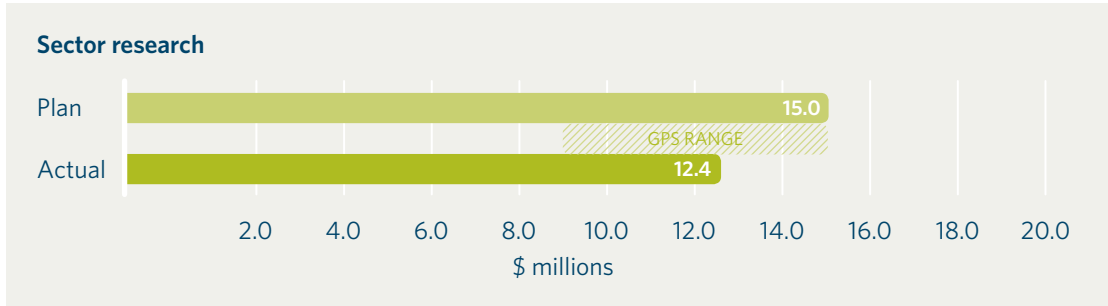


The spend for management of the funding allocation system was very close to the published NLTP.

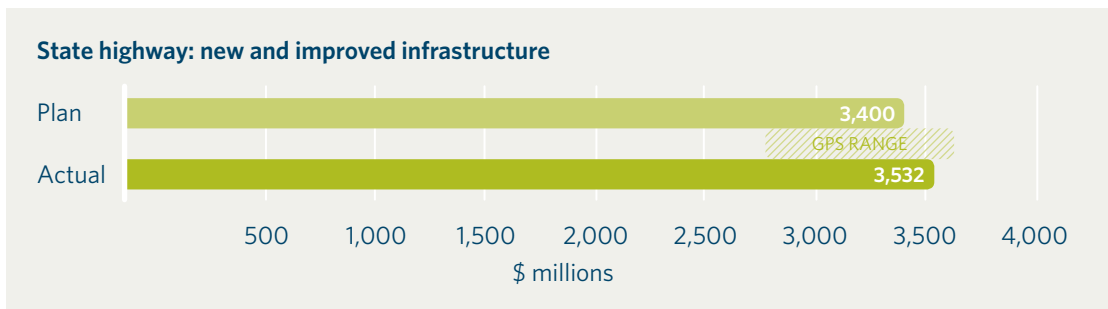


Transport planning expenditure was 12% down on the published NLTP. This is lower than the forecast made at the end of 2013/14, which anticipated a surge in spending (as organisations looked to improve their activity management plans during 2014/15 in the lead up to the 2015-18 NLTP) that did not occur.

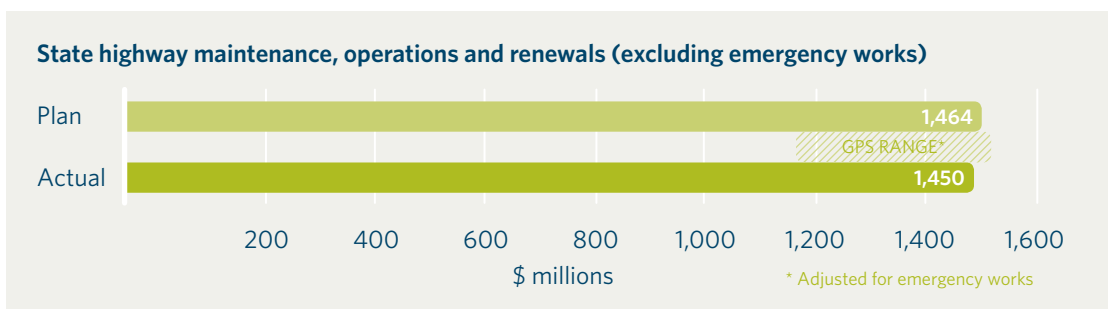
¹ Available at www.nzta.govt.nz/assets/resources/national-land-transport-programme/2012-2015/docs/website-screenshots.pdf



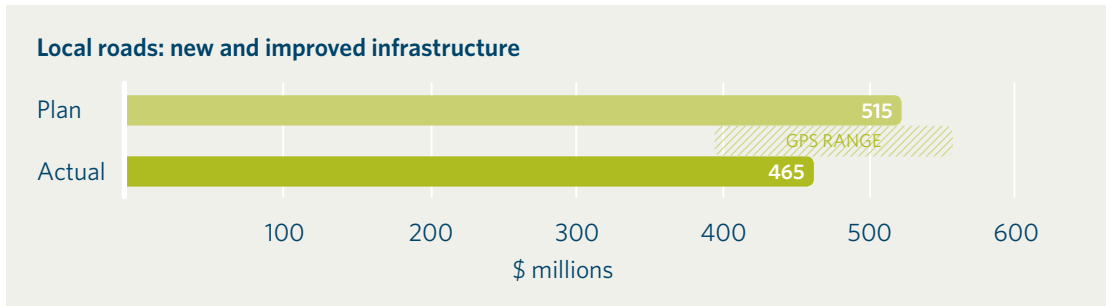
The spend on sector research was 17% down on the published NLTP. A strong focus on project delivery and completion during 2014/15 made up some of the slippage from the previous two years to ensure investment was within the GPS range.



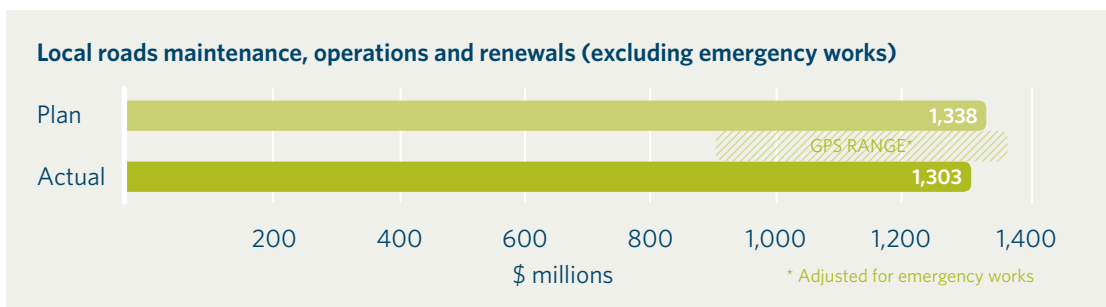
By the end of the NLTP, state highway improvement expenditure was about 4% ahead of the published NLTP. The higher than planned spend is largely the result of underspent funds in other activity classes being used in this activity class. The additional funding was directed to high-priority activities, Safer Journeys actions and freight productivity improvements.



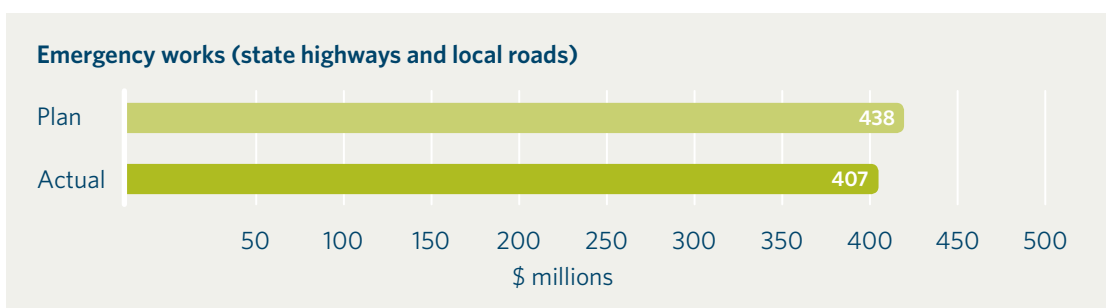
Expenditure was slightly down (\$14 million) on the published NLTP, but close to the forecast made at the end of 2013/14, largely the result of an increase in preventive maintenance (resilience) works. The spend on renewals is substantially less than the published NLTP (down 14%), with most of the underspend going to maintenance and operations (up 10%). This reflects optimisation of the maintenance programme, with renewals being deferred where this makes economic sense across the asset's life.



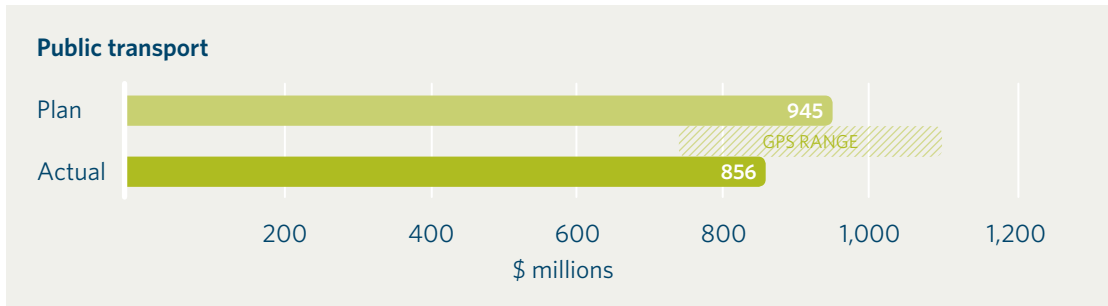
The spend on local road improvements was about 10% lower than the published NLTP. Approved organisations (Auckland Transport in particular) progressed their projects at a slower rate than anticipated. This is due to local funds being directed to other priorities, for example three water infrastructure renewals, as well as constraints on some local authorities in finding their local share. The spend in 2014/15 was boosted by the \$62 million buyout from Tauranga City Council for Route K to become a state highway, as well as \$18 million funding for Christchurch central city improvements.



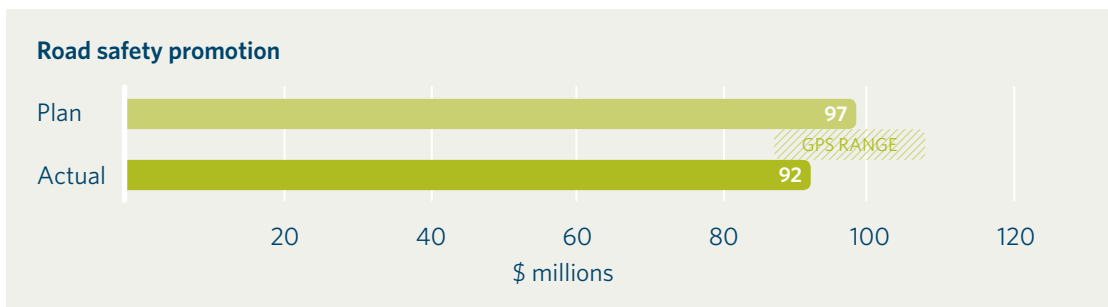
Expenditure was lower than the published NLTP by around 2.6%. As was the case for state highway renewals, some approved organisations optimised their maintenance programmes by deferring renewals and transferring funds to maintenance, while others have decided to spend less.



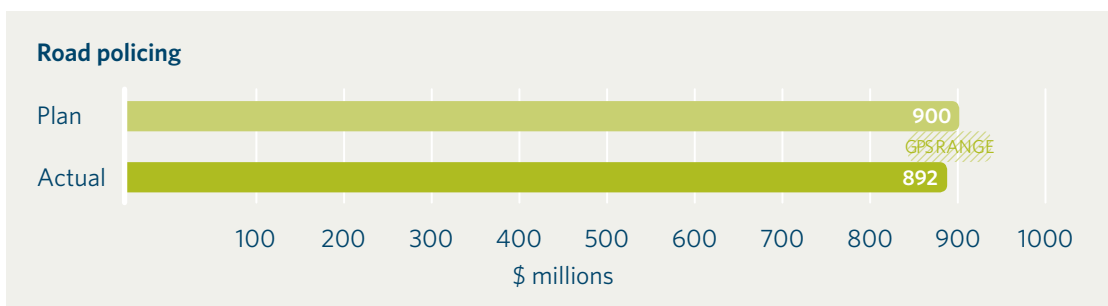
Despite the substantial storm event in Northland at the beginning of 2014/15, the emergency works spend was about 7% down on the published NLTP. The use of NLTF funds to reinstate earthquake-damaged infrastructure in Christchurch was very close to the planned \$150 million, although the drawdown of the Crown debt facility for expenditure above this level was only 16% of plan for the NLTP period. The majority of the impact of the lower North Island storm events in 2015 will be felt in the 2015-18 NLTP.



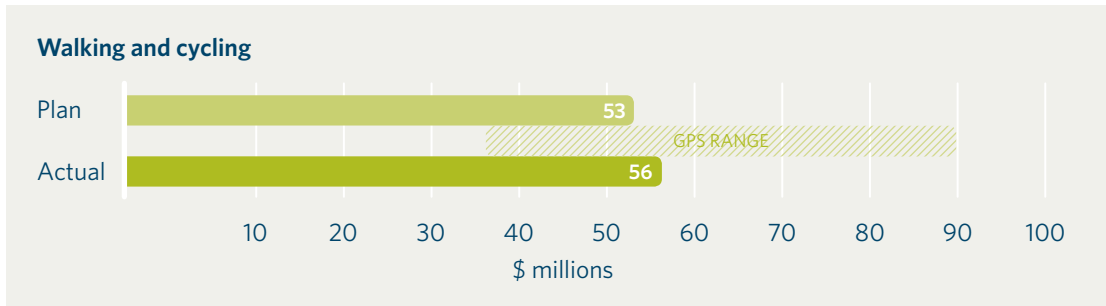
Use of NLTF funds in public transport was down 9.4% on the published NLTP, with services down about 7% and infrastructure down around 23%. The main reason for the lower use of funds for infrastructure is slower than planned delivery of improvement activities in Auckland. More efficient delivery of existing services, including lower maintenance and operating costs for new electric trains in Auckland and Wellington, as well as deferred start-ups of new services underlie the lower use of funds in public transport services.



At an activity class level, the use of funds for road safety promotion was 95% of the published NLTP and within the GPS range. The 5% under delivery against the published NLTP was due to slower than expected delivery of activities by nearly all organisations.



NZ Police delivered its road policing programme very close to (99%) of the published NLTP plan. The small underspend was due to delayed roll-out of new speed cameras, which are planned to be delivered in the 2015-18 NLTP.



Use of NLTF funds for walking and cycling was up about 6% against the published NLTP due to a substantial turnaround in project delivery performance in 2014/15 from the previous two years. The introduction of Urban Cycleways Programme funding has encouraged approved organisations to lift funding and project delivery levels.

NATIONAL ACHIEVEMENTS

This section highlights what the 2012-15 NLTP has delivered at a national level and some of the changes observed in New Zealand's transport sector over this time. More detail on the individual projects delivered across the country is provided in the regional summaries on pages 225 – 253. Following is an explanation of how the funding of activities under the 2012-15 NLTP contributes to the outcomes sought by the Government Policy Statement on Land Transport (GPS) 2012/13–2021/22. For a summary of how the Transport Agency's output classes contribute to the priority results in GPS, refer to page 142.

WHAT WAS DELIVERED FOR NEW ZEALAND

New Zealand's land transport network is made up of 178, 200 lane km of local roads and state highways. The activities in the NLTP are delivered across this network in partnership between the Transport Agency, local authorities, the NZ Police and other transport sector stakeholders. Over the 2012-15 NLTP, some examples of what we collectively delivered include:

- 123km of new footpaths, cycle lanes and cycle paths
- 506 lane km of new and improved infrastructure
- 78 research reports that were published to improve knowledge and investment decisions
- \$280m of programmed savings in renewal, maintenance and operations of state highways and local roads
- 4,500 kilometres of state highways and local roads made available for full high productivity motor vehicle (HPMV) access.

In addition, approximately \$150m was invested in projects to reinstate Canterbury's earthquake-damaged transport network.

For more detail on how the Transport Agency performed against its service delivery and investment targets, see pages 100 – 135 of the *NZ Transport Agency annual report*.

Through the Road Policing Programme, NZ Police aim to improve road safety and economic growth and productivity outcomes. Details of what was delivered under this programme for 2014/15 are included on page 258.

The Transport Agency monitors a range of indicators on progress towards its goals, objectives and priorities for the transport sector (see pages 48 – 89 of the NZ Transport Agency annual report). Over the course of the 2012-15 NLTP, there has been:

- a 9% increase (11.8 million boardings) in passengers using urban public transport (bus, train and ferry) – from 132,501,978 for the year ended 30 June 2012 to 144,229,809 for the year ended 30 June 2015
- a 2% decrease in deaths and serious injuries on open roads, from 2,348 for the 12 months to 31 March 2012 to 2,302 for the 12 months to 31 March 2015*
- 25% of all heavy vehicle travel undertaken by HPMVs, which has increased from 13% at 30 June 2012.

* March 2015 figures are based on provisional data.

SUPPORTING THE GPS OUTCOMES

The outcomes sought by the GPS 2012/13–2021/22 were economic growth and productivity, a sharper and broader focus on value for money, and improving road safety. The 2012–15 NLTP was focused on four themes: ensuring value for money, supporting economic growth and productivity, improving safety, and providing a range of travel choices.

Ensuring value for money

All NLTP investment is prioritised through the Investment Assessment Framework (described on page 211) to ensure value for money and to give effect to the GPS. Additionally, to develop the NLTP, the transport Agency uses an integrated planning approach that takes into account other relevant strategies, programmes and plans.

The Transport Agency is continually looking for ways to deliver more value for money. During this NLTP, the Roding Efficiency Group developed the One Network Road Classification (ONRC) framework, which establishes consistent, fit-for-purpose levels of service for all roads in every part of the country and enables consistent and fair investment decision-making in partnership with local councils.

Supporting economic growth and productivity

To support economic growth and productivity, the NLTP investment had a strong emphasis on improving journey time reliability on key routes; easing severe urban congestion; improving access to, through and from major urban centres, ports and airports; improving the efficiency of freight supply chains; and growing Canterbury.

A total of \$4.3 billion was invested through the NLTP (including local share) in local roads and state highways to ease congestion, reduce travel time and improve journey time reliability, and improve the safety, resilience and reliability of our roads and freight networks. The Transport Agency continued to deliver the roads of national significance, investing \$2.8 billion, and made substantial progress on Western Ring Route completion package in Auckland, Waikato Expressway, Tauranga Eastern Link, Wellington Northern Corridor and Christchurch Motorways.

In congested urban networks, public transport plays a critical role in moving people effectively and efficiently to and from employment areas. The NLTP invested \$1.65 billion in public transport over 2012–15.

Through the NLTP, the NLTF contributed around \$50 million per year over the 2012–15 programme to reinstate Christchurch City's earthquake-damaged transport network.

In 2015 the Government announced an accelerated infrastructure package for Auckland, aimed at supporting economic growth and productivity and increasing the range of travel choices for people. The package brings forward several key initiatives, but won't have a major impact on the NLTF until 2020 as initial funding will mostly come from a Crown loan to be repaid from the NLTF later on. The Transport Agency and Auckland Transport are collaborating to advance the planning and delivery of this programme into the 2015–18 and 2018–21 NLTPs.

Improving road safety

The 2012-15 NLTP included \$2.8 billion of investment in activities that directly or indirectly improve road safety. Investments ranged from minor works, such as corner easing and guard rails, to local authority road safety campaigns, and to substantial capital works such as the Waikato Expressway road of national significance.

Investment prioritised to address risk areas identified in the Government's Safer Journeys strategy included \$0.89 billion in road policing and \$0.12 billion in road safety promotion with a particular focus on safer speeds. Investment in road safety included upgrading the rightcar.govt.nz website, aimed at helping buyers choose safer, cleaner and more economical cars, and continuing road safety advertising campaigns, including specific funding for the 'Check your car' campaign and materials that supported changes to the warrant of fitness regime.

The 2012-15 Road Policing Programme focused on targeting high-risk drivers; ensuring more young people are driving within their licence conditions and improving their driving competence in high-risk communities; reducing risks for motorcyclists; ensuring fewer people are driving under the influence of alcohol and drugs; ensuring more people are travelling at the right speeds; and ensuring travelling on New Zealand's roads is more efficient and reliable.

Providing a range of travel choices

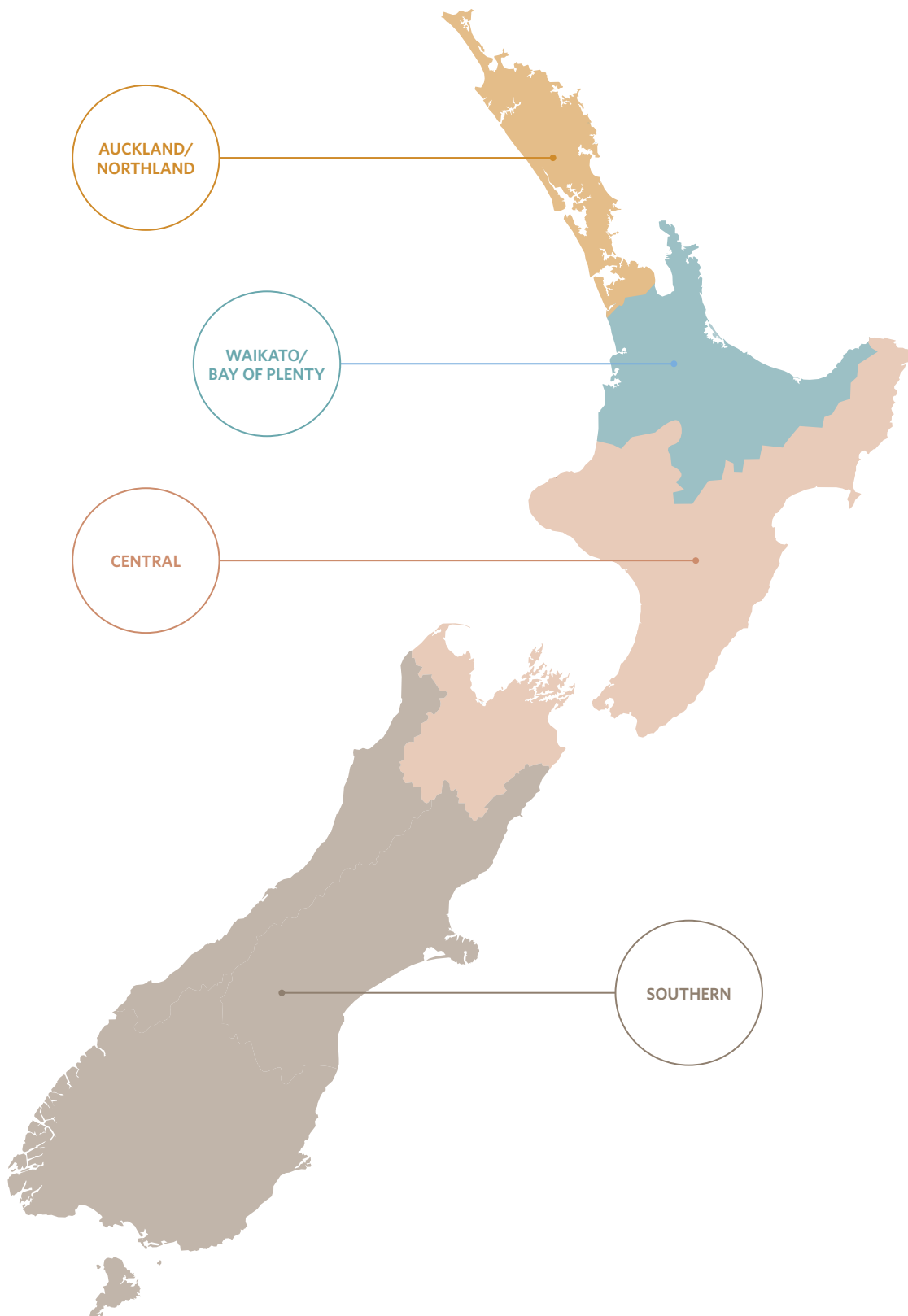
NLTP investment in public transport, walking and cycling, and improving freight route options helps to provide people with a range of travel choices. The 2012-15 NLTP invested \$1.65 billion in New Zealand's public transport system (including \$856 million from the NLTF and \$780 million from local authorities). Investment in walking and cycling was \$80 million, and in addition, around \$80 million of walking and cycling facilities were provided as part of investments in roading projects and other activities. About 90% of walking and cycling investment was targeted at Auckland, Wellington and Christchurch, where congestion is greatest.

Other key investments in new infrastructure included \$160 million to purchase 35 trains in Wellington (funded from debt that is being repaid from the NLTF and local share); the AMETI (Auckland Manukau Eastern Transport Initiative) package of improvements; and real time information on services and integrated ticketing systems, such as the Auckland Transport HOP card.

The Government's announcement in August 2014 of the \$100m Urban Cycleways Programme enabled the Transport Agency to work with local government to accelerate a range of cycling projects across the country. This led to a substantial turnaround in expenditure performance compared to the previous two years, with the use of NLTF funds up about 6% against the published NLTP. This work has helped to progress some key network connections, including the Nelson St cycle route in Auckland, and completion of seven of the first tranche projects of the Urban Cycleways Programme.

REGIONAL HIGHLIGHTS

This section highlights regional National Land Transport Fund investments made through the 2012-15 National Land Transport Programme.



AUCKLAND AND NORTHLAND

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

Northland



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, investment in Northland was focused on maintaining the region's extensive network in resilient condition, to enable its far-flung residents to travel safely and freight to move efficiently.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

12,700
LANE KMS

of local roads and state highways maintained

21%
INCREASE

in deaths and serious injuries in road crashes (from 109 in 2011/12 to 132 in 2014/15*)

2%
INCREASE

in trips taken by bus (from 305,735 in 2011/12 to 312,821 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Northland total	108,608	278,263
New and improved infrastructure for state highways	15,085	42,606
Renewal, maintenance and operation of state highways	43,486	112,451
New and improved infrastructure for local roads	4,277	17,415
Renewal, maintenance and operation of local roads	43,374	100,290
Public transport services	624	1,736
Other ¹	1,762	3,765

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

¹ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Approving design and construction of the Brynderwyn North Safe System Project: construction began in February 2015 to improve safety on a well-known crash black spot.

Undertaking emergency works of \$20 million: emergency works restored the damaged network, largely due to storms.

Beginning improvements to the State Highway 1 Whāngārei corridor: this includes a suite of six projects along a 6km stretch of State Highway 1 through Whāngārei. The project will four-lane the highway between Selwyn Avenue and Tarewa Road and improve a number of major intersections by removing bottlenecks and congestion and improving traffic flow and safety.

Progressing the Pūhoi to Warkworth project: consenting and designation were completed in September 2015 for this project that will extend the four-lane Northern Motorway (State Highway 1) from the Johnstone's Hill tunnels to just north of Warkworth. This will build a safer, more reliable state highway connection for motorists, freight and tourism will encourage economic growth and support expected population growth.

Constructing Whāngārei District Council's Lower Hatea Bridge: completed in July 2013, this bridge improves access to the port and bypasses the CBD.

Completing the State Highway 1/ State Highway 14 intersection upgrade: these improvements were completed in May 2014 as part of a programme to improve efficiency and safety on State Highway 1 through Whāngārei.

Upgrading the Otaika Stream Bridge No. 85 and the Kauri Rail Overbridge: these upgrades were completed in Dec 2013 to accommodate high productivity motor vehicles (HPMVs).

Approving Whāngārei District Council's 2012–15 walking and cycling application: this application was approved in July 2014 and the proposed improvements reflect two components of the cycleways strategy, which aims to provide a safe alternative for both recreational and commuter cyclists and pedestrians.

Auckland



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, investment in Auckland set out to make it increasingly easier for commuters to move around Auckland and to make freight movements more efficient.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

**15,800
LANE KMS**

of local roads and state highways maintained

**13%
INCREASE**

in deaths and serious injuries in road crashes (from 426 in 2011/12 to 481 in 2014/15*)

**9%
INCREASE**

in trips taken by bus (from 54,827,193 in 2011/12 to 59,696,338 in 2014/15)

**10%
INCREASE**

in trips taken by ferry (from 5,049,627 in 2011/12 to 5,536,389 in 2014/15)

**28%
INCREASE**

in trips taken by rail (from 10,904,160 in 2011/12 to 13,916,822 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Auckland total	1,071,579	3,006,678
New and improved infrastructure for state highways	592,402	1,575,900
Renewal, maintenance and operation of state highways	107,943	301,122
New and improved infrastructure for local roads	36,114	208,494
Renewal, maintenance and operation of local roads	110,688	301,828
Public transport infrastructure	14,660	66,108
Public transport services	165,782	470,120
Other ²	43,990	83,106

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

² Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Continuing construction of the Western Ring Route including the Waterview Tunnel and Causeway: this project provides an alternative to State Highway 1 through Auckland improving network resilience, travel time reliability, bus shoulder lanes, and upgrading cycleways and pedestrian facilities.

Completing the Grafton Gully cycleway and stage 1 of the Beach Road cycleway: delivered by the Transport Agency and Auckland Transport, these projects deliver more than 2.5km of the Auckland Cycle Network helping to create a well-connected cycling route through motorway and urban areas.

Completing Panmure stage 1 of the AMETI package: completed in 2014, this project continues Auckland's focus on public transport to improve customer experience, grow patronage, and relieve traffic congestion. Progress is underway on the next phase from Panmure to Pakuranga.

Bringing an investment proposal to cabinet on East West Connections: East West Connections is a joint Transport Agency and Auckland Transport programme to improve freight efficiency, commuter travel, public transport and walking and cycling options over the next 30 years.

Contributing to hearings and mediation on the Unitary Plan: this plan is being used to ensure that transport spending is coordinated with the provision of other public services in Auckland like electricity and wastewater. Transport Agency involvement in the plan is coming to an end, although the process is some way from completion.

Improving Ōtāhuhu Railway Station, Manukau Transport Interchange and Half Moon Bay Ferry Terminal: this \$20 million investment is focused on improving the level of service and the efficiency and effectiveness of the public transport network in Auckland.

Improving public transport: the first of Auckland Transport's new electric trains arrived in 2013. They're quieter, carry more passengers and provide faster travel times than their predecessors. Auckland Transport's HOP card was introduced and implemented across bus, rail and ferry services, delivering seamless inter modal travel.

Approving over \$20 million for walking and cycling projects: a number of projects contribute to completing an integrated and connected cycle network and make cycling and walking safer in Auckland and an integral part of Auckland's transport future.

Progressing on the Pūhoi to Wellsford road of national significance: this project aims to extend the Northern Motorway (State Highway 1) from the Johnstone's Hill tunnels just south of Pūhoi to a point north of Wellsford. Existing and anticipated future regional growth will provide opportunities for economic and social development in Northland and provide a better connection to Auckland for freight, tourism and motorists.

WAIKATO AND BAY OF PLENTY REGION

THE WAIKATO/BAY OF PLENTY REGION REACHES FROM THE BOTTOM OF THE BOMBAY HILLS TO THE DESERT ROAD SUMMIT, FROM JUST SOUTH OF MOKAU IN THE WEST, THROUGH THE WAOIEKA GORGE NEAR OPOTIKI, AND MIDWAY ALONG THE TAUPŌ-NAPIER ROAD.

Waikato



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15 the NLTP investment in Waikato aimed to improve the efficiency, resilience and safety of the road network, as well as to support economic growth through the safe and efficient movement of freight.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

21,600
LANE KMS

of local roads and state highways maintained

24%
DECREASE

in deaths and serious injuries in road crashes (from 371 in 2011/12 to 283 in 2014/15*)

15%
DECREASE

in trips taken by bus (from 5,127,493 in 2011/12 to 4,341,361 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Waikato total	388,285	965,878
New and improved infrastructure for state highways	231,735	530,135
Renewal, maintenance and operation of state highways	83,922	223,975
New and improved infrastructure for local roads	7,065	26,839
Renewal, maintenance and operation of local roads	54,029	153,248
Public transport infrastructure	58	162
Public transport services	7,797	23,403
Other ³	3,679	8,116

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

³ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Making progress on the Waikato Expressway: the expressway is the top priority for the region and enables considerable opportunity for economic development as well as travel time and safety benefits. With construction of the Te Rapa and Ngaruawahia sections completed in 2012–2015, the journey time between Hamilton and Auckland reduced by 7 minutes.

Constructing the Hamilton Ring Road through to Cambridge Road in south east Hamilton: this project contributes to the long-term effectiveness of the Waikato Expressway. Hamilton City Council completed construction in 2014 and has confirmed the design of the last section, the connection of the route to Cobham Drive (SH1), due for construction in 2015/16.

Replacing the Atiamuri Bridge in the south Waikato: delivered in 2012, this new bridge enables HPMVs to use this section of SH1 maximising freight efficiency, in particular for the forestry industry.

Strengthening state highway bridges for use by HPMVs: the network available to HPMVs was expanded in 2014 by strengthening bridges on the SH3 route to Taranaki, SH29 to Tauranga and the Port of Tauranga, SH1 between Auckland and Wellington, and Fergusson Bridge in Cambridge (completed by Waipa District Council in 2015).

Constructing roundabouts at SH1/5 intersection near Tirau, SH3/37 at Waitomo, and the SH2/25 intersection near Maramarua in the eastern Waikato: these three intersections, completed in 2015, are on key regional tourist routes and target improved road safety.

Delivering the southern Coromandel motorcycle loop (SH25 and 26): this project is one of many delivered through local authority and Transport Agency programmes to improve safety. It was completed before the 2014/15 summer motorcycle season to target motorcycle safety.

Constructing the Kahikatea Drive off-road cycleway: completed in 2015, the cycleway is a key project identified in the Hamilton Biking Plan targeted at improved amenities and safety for cyclists travelling between the Melville/Hospital area and Frankton.

Establishing the Waikato Road Asset Technical Accord (RATA): established in 2014, RATA is a collaboration between councils in the Waikato region to enable more efficient and effective road maintenance. For instance, during its first year, RATA facilitated a collaborative approach to transitioning to the One Network Road Classification framework.

Transferring east Waikato and central region maintenance contracts to network outcome contracts: network outcomes contracts are a new contract model that ensures efficiency and effectiveness through better asset management and service delivery.

Progressing strategic business cases for the SH3 key link to Taranaki, SH29 connecting through to the Bay of Plenty and the Port of Tauranga, and SH1 towards Taupō and Wellington: these business cases will determine the longer-term function and performance required on these strategic corridors.

Bay of Plenty



WHAT DID WE SET OUT TO ACHIEVE?

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

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

9,100
LANE KMS

of local roads and state highways maintained

23%
DECREASE

in deaths and serious injuries in road crashes (from 193 in 2011/12 to 148 in 2014/15*)

9%
INCREASE

in trips taken by bus (from 2,853,490 in 2011/12 to 3,109,603 in 2014/15)

17%
INCREASE

in trips taken by ferry (from 24,666 in 2011/12 to 28,778 in 2014/15)

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Bay of Plenty total	122,409	472,926
New and improved infrastructure for state highways	-6,496 ⁴	181,460
Renewal, maintenance and operation of state highways	31,370	124,980
New and improved infrastructure for local roads	67,347	78,400
Renewal, maintenance and operation of local roads	22,104	68,095
Public transport infrastructure	50	150
Public transport services	6,292	16,582
Other ⁵	1,742	3,259

⁴ The amount of NLTF funds for new and improved infrastructure for state highways was reduced because some of the Tauranga Eastern Link project was funded through a loan.

⁵ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Making significant progress on the Tauranga Eastern Link: the Tauranga Eastern Link is one of the seven RoNs and aims to reduce travel time to the Port of Tauranga from the central North Island and the Eastern Bay, improve safety, and enable significant local growth. It includes a shared 6.8km walking and cycle path.

Improving the State Highway 2 Pokeno to Tauranga journey: the Ardern Cottage Curves realignment on State Highway 2 was completed in 2013/14 and the Te Puna intersection improvement was designed with construction expected in 2015/16. The improvements aim to reduce deaths and serious injuries on these roads and provide a predictable journey for road users.

Progressing the State Highway 2/State Highway 29 Baypark to Bayfair link upgrade: this project, which aims to improve congestion, travel time and safety has been submitted for resource consent, with the railway relocation expected to begin in late 2015.

Completing the Lake Road/Ngongotaha cycleway connection: completed in 2013/14, this cycleway increases transport choice for road users.

Completing the State Highway 33 Sun Valley/Pareteiro Curves realignment: completed in 2013/14, the project helps to improve safety by realigning two curves on State Highway 33 and adding a southbound passing lane.

Opening the State Highway 1/29 high productivity motor vehicle (HPMV) route between Tauranga and the Waikato: this project, mainly strengthening of structures, enabled HPMV connections to Auckland and Wellington.

Launching the Tauranga urban school bus service: started in the 2015 school year, this service allows the Tauranga public transport network to accommodate school bus users and continues the service following the Ministry of Education's withdrawal from urban school transport.

Completing the Rotorua public transport service network review: in late 2014 a review and implementation planning for a Public Transport Operating Model for Rotorua urban public transport was completed.

Starting construction on cycling infrastructure: construction funding was approved during 2014/15 for the Whakatane Gorge cycle path, Rotorua Greenway, and Poike Road Overbridge. These projects will improve viable transport choices that connect major urban areas and destinations.

Designing the Te Puia (State Highway 5/30 – Rotorua) intersection: with construction expected to begin in 2015/16, this project aims to provide a safer intersection for all transport modes.

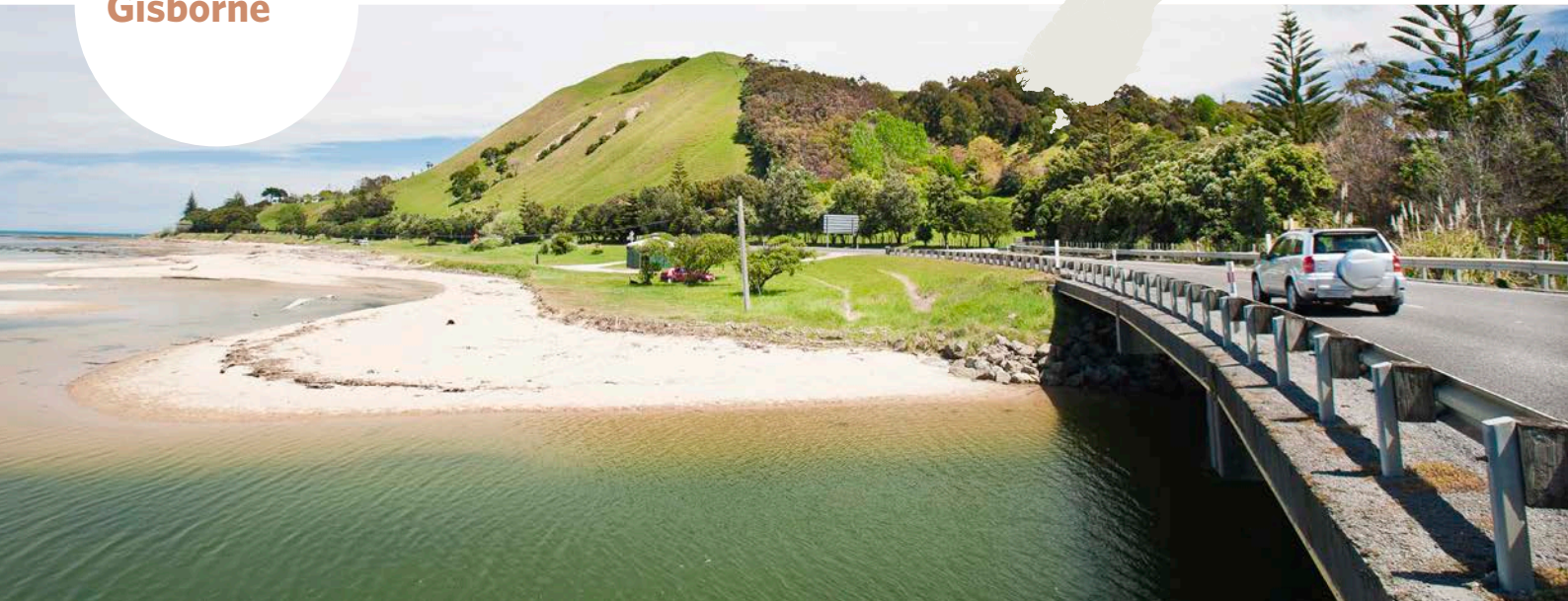
Improving the State Highway 29 Tauranga urban journey: improvements during 2014/15 to reduce travel times to and from the Port of Tauranga included investing in Takitimu Drive Toll Road and building the electronic tolling system that supports this road and the Tauranga Eastern Link. The design of the Hairini Link intersection improvement, to separate local and state highway traffic and improve safety, was completed during 2014/15 with construction expected to begin in September 2015.

Collaborative planning and investigation for the future: business cases are underway for the Rotorua Eastern Corridor, Tauranga north, and the transport corridor between Tauranga and the southern end of the Waikato Expressway including State Highway 1/29, and the East Coast Main Trunk Line. These assess the scale of demand pressures and benefits on both road and rail transport modes. Final preparations for the weather-activated speed signs in the Kaimai safety trial project were completed during 2014/15 with the trial expected late-August 2015.

CENTRAL REGION

THE CENTRAL REGION STRETCHES UP FROM THE TOP OF THE SOUTH ISLAND (NELSON, TASMAN AND MARLBOROUGH) TO THE SOUTHERN AND CENTRAL NORTH ISLAND, REACHING ACROSS TARANAKI, MANAWATŪ -WANGANUI, WELLINGTON, TO THE HAWKE'S BAY AND GISBORNE.

Gisborne



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Gisborne region was focused on improving key linkages to the Port of Gisborne to support forestry in the region and improving route resilience and security for both local road users and loggers.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

3,600
LANE KMS

of local roads and state highways maintained

15%
INCREASE

in deaths and serious injuries in road crashes (from 26 in 2011/12 to 30 in 2014/15*)

12%
DECREASE

in trips taken by bus (from 157,596 in 2011/12 to 138,261 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Gisborne total	29,839	92,950
New and improved infrastructure for state highways	1,087	2,987
Renewal, maintenance and operation of state highways	13,674	44,581
New and improved infrastructure for local roads	869	2,112
Renewal, maintenance and operation of local roads	12,957	39,883
Public transport infrastructure	6	20
Public transport services	183	551
Other ⁶	1,060	2,816

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

⁶ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Forming the Tairāwhiti Roads joint venture: our primary focus has been on operating and maintaining the state highway and local road network to achieve appropriate levels of service and value for money. This joint venture between Gisborne District Council and the Transport Agency, launched in March 2015, manages both highways and local roads in Gisborne as one network to optimise the network.

Improving journeys between Gisborne and Napier on State Highway 2: over 2012–15 we have completed nine new passing opportunities that will reduce driver frustration and improve safety on the route.

Starting the Eastland Port access project: this project, started in 2014, improves freight efficiency by allowing HPMVs to travel from forestry plantations around the East Cape on both state highways and local roads.

Furthering resilience investigations on the Waiapu River system: these investigations look at the behaviour of the Waiapu River system and its effects on the roading network to enable us to better identify the location for resilience interventions and to select the best intervention for those locations.

Completing Stage 1 of the Wainui Cycleway: this project provides a safer, mainly off-road cycleway from Wainui to the Gisborne urban area. This joint local road and state highway project improves safety by removing conflicts between heavy vehicles and vulnerable road users.

Completing a section of the walking and cycling network to provide an alternative access to Awapuni School: completed by Gisborne District Council in 2013/14, this project addressed safety concerns of children using the existing access along the highway.

Investigating a replacement of the single lane Motu Bridge on State Highway 2: this investigation was funded by the Government's Accelerated Regional State Highway Package. The Government will decide whether to progress this project in 2015/16.

Investing in public transport: the focus for public transport in Gisborne has been implementing the Public Transport Operating Model (PTOM) including completing the Regional Public Transport Plan, updating the procurement strategy, and going out to tendering for Gisborne's bus services.

Hawke's Bay



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012–15, NLTP investment in the Hawke's Bay region was focused on improving freight links between industrial growth areas, the wider region and the port, and encouraging transport choice through a pilot walking and cycling programme.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

8,400
LANE KMS

of local roads and state highways maintained

5%
INCREASE

in deaths and serious injuries in road crashes (from 94 in 2011/12 to 99 in 2014/15*)

9%
INCREASE

in trips taken by bus (from 681,566 in 2011/12 to 744,381 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Hawke's Bay total	60,721	171,934
New and improved infrastructure for state highways	5,043	9,098
Renewal, maintenance and operation of state highways	18,028	58,955
New and improved infrastructure for local roads	4,543	8,513
Renewal, maintenance and operation of local roads	27,514	82,649
Public transport infrastructure	27	61
Public transport services	1,914	5,999
Other ⁷	3,652	6,659

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

⁷ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Improving the State Highway 2/50A intersection at Pakipaki: this intersection is among the top 100 high-risk intersections in New Zealand. Construction completed in June 2015 will deliver significant safety benefits to the region.

Improving links between the Hastings industrial area and the Napier port: design for the Whakatū Arterial link was completed early in 2015. Consents were obtained and land purchase completed in June 2015. This project will support economic growth and development by forming a key link from the Hastings industrial area to the port. It also includes improvements to the Pākōwhai Road intersection improving safety at a high-risk intersection.

Developing a walking and cycling network across the local road and state highway network: developed by the Hastings District Council model communities programme (iWays), this project has contributed to a 5% increase in cycling and a 24% increase in walking on the network. The cycle facilities at York Road in particular improve safety for all road users while enhancing travel choices.

Reviewing the region's public transport services: optimising (and removing ineffective) services has improved value for money and the contribution public transport fares make to the operating cost of providing public transport services (known as farebox recovery ratio).

Improving journeys between Gisborne and Napier on State Highway 2: over 2012–15 we have completed nine new passing opportunities that will reduce driver frustration and improve safety on the route.

Taranaki



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Taranaki region targeted efficient freight movement in this productive area, and relieved congestion through public transport and a pilot walking and cycling programme.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

7,200
LANE KMS

of local roads and state highways maintained

10%
DECREASE

in deaths and serious injuries in road crashes (from 71 in 2011/12 to 64 in 2014/15*)

8%
INCREASE

in trips taken by bus (from 543,317 in 2011/12 to 586,306 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Taranaki total	48,403	149,483
New and improved infrastructure for state highways	15,374	20,895
Renewal, maintenance and operation of state highways	12,672	66,411
New and improved infrastructure for local roads	966	2,794
Renewal, maintenance and operation of local roads	15,834	46,814
Public transport infrastructure	63	144
Public transport services	1,222	3,550
Other ⁸	2,272	8,875

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

⁸ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Progressing construction of the New Plymouth State Highway 3 Vickers to City project: this project is well underway with completion expected in June 2016. The investment will optimise existing network capacity, improve market access and trip time reliability, ease peak time congestion and contribute to economic growth.

Delivering the programme of model communities walking and cycling projects in New Plymouth: this nearly completed programme has delivered a mix of on-road and off-road cycle paths, with a focus on providing increased safety for cyclists. Census data comparing 2006 and 2013 show that walking and cycling have increased by 12%. Now, 65% of pupils get to school using an active mode, an increase from 35% in 2006.

Strengthening bridges for the HPMV route between South Taranaki and the New Plymouth port: this project was completed in May 2015. Along with strengthening work that has started on a further seven bridges between Hawera and Whanganui (and will be finished by August 2016), these investments allow more freight to be carried on fewer trucks that have a range of modern safety features.

Delivering significant capacity improvements around the Waiwhakaiho Bridge: to relieve congestion and improve freight efficiency, construction of the two additional bridges is well underway and work has started on achieving the additional width required under the Paynters Avenue Bridge.

Improving safety by introducing lower speed limits north of New Plymouth and at the Normanby Overbridge: these changes, introduced in 2013/14, along with surface treatments, improved markings and signage, contributed to safety improvements for Normanby.

Starting construction of the Normanby State Highway 3 Realignment: this project was started in the 2014/15 year as a component of the Government's Accelerated Regional State Highway Package. We expect to complete this project in November 2016, giving significant safety and travel time benefits and reduced travel costs.

Manawatū-Whanganui



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Manawatū – Whanganui region focused on improving the efficiency of moving freight, maintaining the network to a high standard and improving its safety, resilience and security.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

**16,000
LANE KMS**

of local roads and state highways maintained

**9%
INCREASE**

in deaths and serious injuries in road crashes (from 173 in 2011/12 to 188 in 2014/15*)

**11%
DECREASE**

in trips taken by bus (from 1,635,096 in 2011/12 to 1,447,403 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Manawatū-Whanganui total	80,010	227,371
New and improved infrastructure for state highways	11,718	27,902
Renewal, maintenance and operation of state highways	16,530	54,035
New and improved infrastructure for local roads	7,311	14,648
Renewal, maintenance and operation of local roads	40,609	121,301
Public transport infrastructure	89	238
Public transport services	2,468	7,048
Other ⁹	1,285	2,199

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

⁹ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Continuing investigations on the Ōtaki to Levin RoNS: over the last 12 months we have been focused on public consultation on options. A preferred option for a new connection between state highways 1 and 57 has been selected. This project will deliver travel time and safety benefits.

Starting construction of the Whakaruatapu Bridge on State Highway 2, North of Dannevirke: this project, started in 2014, will replace the existing earthquake prone bridge and realign State Highway 2 to provide a 100km speed environment. This will improve safety and route efficiency for all users of the highway.

Progressing construction on the State Highway 57 Shannon north seal widening and bridge replacement: the project, started in 2014, will reduce deaths and serious injuries, make better use of existing transport capacity, and improve the efficiency and resilience of the transport network.

Investigating and completing the design for the Whirokino Trestle Bridge: investigations were completed in early 2015. The new bridge will improve freight efficiency because high productivity motor vehicles (HPMVs) will avoid a 14km detour.

Replacing the Wylies Bridge over the Whangaehu River: this project was delivered by Whanganui and Rangitikei district councils because the old bridge was at the end of its useful life. The new bridge which preserves an important lifeline was opened in August 2015.

Progressing construction of the Manawatū Gorge alternative route project: this project began in 2013 and will be completed in 2016. The alternative route is an important lifeline during closures of the gorge, building resilience into the network.

Completing the Longburn cycleway, connecting Longburn to Palmerston North: completed with funding from the Palmerston North City Council, the NLTF, and the Urban Cycleways Fund in June 2015, this project enables people from Longburn and Palmerston North to access schools and areas of employment safely on a separate cycling and walking path.

Completing HPMV routes: councils across the region have embraced both 50MAX and HPMVs. A number of HPMV routes, across both state highways and local roads, were completed in June 2015, including important links that improve freight connectivity in the region and the rest of the country.

Wellington



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Wellington region was focused on relieving congestion, enhancing public transport efficiency and improving the safety and resilience of key economic links across Wellington's transport network.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

7,900
LANE KMS

of local roads and state highways maintained

13%
DECREASE

in deaths and serious injuries in road crashes (from 189 in 2011/12 to 164 in 2014/15*)

1%
INCREASE

in trips taken by ferry (from 176,698 in 2013/14 to 179,106 in 2014/15)

8%
INCREASE

in rail (from 11,247,139 in 2011/12 to 12,128,995 in 2014/15)

MINIMAL CHANGE

in trips taken by bus (from 24,108,471 in 2011/12 to 24,098,765 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Wellington total	472,692	1,022,379
New and improved infrastructure for state highways	270,099	606,964
Renewal, maintenance and operation of state highways	46,303	112,204
New and improved infrastructure for local roads	13,655	28,640
Renewal, maintenance and operation of local roads	33,689	97,164
Public transport infrastructure	3,902	8,955
Public transport services	56,317	159,679
Other ¹⁰	3,727	8,773

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

¹⁰ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Continuing to make progress on the Wellington Northern Corridor roads of national significance:*

- Relocating Buckle Street underground (State Highway 1) to enable the creation of Pukeahu National War Memorial Park – a key part of the commemoration of the First World War centenary delivered in time for Anzac Day 2015.
- Signing, in July 2014, a public private partnership contract with the Wellington Gateway Partnership, to design, construct, finance, operate and maintain the new Transmission Gully motorway.
- Making substantial progress on the MacKays to Peka Peka section of the Wellington Northern Corridor, an 18km four-lane expressway that will separate local and highway traffic and result in safer and shorter trips to and through the Kāpiti Coast.
- Beginning work on the section of State Highway 1 between Johnsonville and the Terrace Tunnel in Wellington that will turn it into New Zealand's first 'smart motorway', where detection equipment and electronic signs respond automatically to reduce congestion and get as many vehicles as possible through the area.

Working with the Wellington City Council to deliver a \$10 million package of transport improvement to optimise the transport network of all transport modes around Johnsonville.

Initiating a \$1.3 million programme to install guardrails on State Highway 2 Rimutaka Hill to improve safety on high-risk sections by the end of 2015/16.

Strengthening the portals of the Pirie St (Hataitai) Bus Tunnel: undertaken by Wellington City Council, this work makes a key public transport route more resilient.

Completing indicative business case for Bus Rapid Transit: Greater Wellington Regional Council, Wellington City Council and the Transport Agency completed the business case, which identifies long-term options for public transport along the city's growth spine.

Building additional park and ride facilities in Tawa, Porirua, Petone, Paraparaumu and Waikanae: Greater Wellington Regional Council undertook this work which provides 1000 additional spaces for train commuters.

Investing in 35 new Matangi trains and upgrading the existing 43 units: this increases the overall capacity of the Wellington passenger rail fleet.

Strengthening Totara Park Bridge: the work done by Upper Hutt City Council improves the resilience of access to Totara Park.

Completing the Hutt River Stopbank Cycling Path, starting work on the Wainuiomata Hill Shared Path Bridge and the initiating work on the Kāpiti Strategic Cycling Network: some of a range of initiatives across the region link key locations such as schools and shopping areas through strategic cycling routes. The Wainuiomata Hill cycleway is one of the first of the Government's Urban Cycleways Fund projects to be delivered.

* The High Court dismissed the Transport Agency's appeal against last year's Board of Inquiry decision that cancelled the Notice of Requirement and declined the resource consents sought for the Basin Bridge Project in Wellington. The NZ Transport Agency Board announced on 4 September 2015 that it would not be appealing this decision.

Top of the South

WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the top of the South Island (Nelson, Tasman and Marlborough) focused on maintaining a safe and resilient network in order to provide route security for tourism and freight movements, and to keep local communities safe and connected.

Together with our partners, we said we would invest in:

- renewing, maintaining and operating local roads and state highways
- improving high productivity motor vehicle (HPMV) route capability on some routes
- a package of walking and cycling improvements
- safety improvements
- managing traffic on local roads to reduce journey times along Waimea Road
- replacing State Highway 1 Dashwood overbridge and upgrading the relevant section of highway.

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Top of the South total	50,970	153,001
New and improved infrastructure for state highways	7,996	18,402
Renewal, maintenance and operation of state highways	22,871	72,049
New and improved infrastructure for local roads	3,191	7,179
Renewal, maintenance and operation of local roads	14,586	48,164
Public transport infrastructure	20	63
Public transport services	589	1,752
Other ¹¹	1,717	5,392

8,000
LANE KMS

of local roads and state highways maintained

14%
DECREASE

in deaths and serious injuries in road crashes (from 71 in 2011/12 to 61 in 2014/15*)

442,305

trips taken by bus in 2014/15**

* Road safety figures are for the year ended 31 March. March figures are based on provisional data.

** As we changed the way we collect our data this year no percentage change is available between 2011/12 and 2014/15.

¹¹ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

NELSON

Completing a new section of the Maitai River shared path from Akerston Street to Nile Street: this project, delivered by Nelson City Council, was one of the leading projects in the approved \$13 million programme of cycleway development. It aims to increase the number of walking and cycling trips resulting in greater connectivity between homes, schools and places of work, fewer vehicles on the roads, and additional health benefits for the community.

Approving investment in a new shared path from Bishopdale to The Ridgeway: this project will be delivered by Nelson City Council to connect the existing railway reserve shared path with the Whakatū shared path, and will improve cycling and walking opportunities for students of Inner Glynn Primary School.

Widening both shoulders on State Highway 6 at Gentle Annie Pass: this project, due for completion in 2015, creates cycle lanes to improve safety for cyclists and lead to more consistent journey times for motorists.

TASMAN

Managing the 75km stretch of State Highway 60 from the Riwaka Bridge to Collingwood in Golden Bay: Tasman District Council will manage this part of the state highway network on behalf of the Transport Agency providing efficiency and better value for money for both organisations.

Replacing the 1930s Narrow Bridge on the Motueka Valley Highway near Ngatimoti: this project delivered a new HPMV route.

Replacing Yellow Pine Bridge on Pākawau Bush Road in Golden Bay: completed in 2012/13 to maintain network resilience and improve safety.

Completing a new stock effluent transfer station in Hope: this project was delivered by the Transport Agency and Nelson City Council in 2015. The Nelson and Tasman councils have collaborated on the location, operation and maintenance of this facility.

Installing road safety features: such as profiled road markings, right-turn bays, barriers and electronic variable message signs.

MARLBOROUGH

Investigating and approving funding for safety improvements to Jacksons Road and Old Renwick Road intersection in Blenheim: this work should be completed by the end of 2015.

Strengthening and other bridge works on State Highway 1 and State Highway 63: These projects were completed over 2012–15 to enable HPMVs to travel over these bridges.

Replacing Kaka Bridge on Northbank Road and strengthening Hodder Bridge on Awatere Valley Road: these projects were delivered by Marlborough Roads. Replacing Kaka Bridge is part of the programme of work to open Northbank Road to HPMVs, while the Hodder Bridge work brings this structure up to class 1. These projects are important economic productivity investments for the region.

Completing the \$6.9 million Dashwood overbridge on State Highway 1 between Blenheim and Kaikora: this improvement is on a key national strategic journey route and will improve safety and resilience leading to more consistent journey times.

Investigating the replacement of both Wairau and Opawa bridges on State Highway 1 between Picton and Blenheim: this work was funded by the Government's Accelerated Regional State Highway package and a decision to progress these projects will be made by the Government later this year.

SOUTHERN REGION

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

Canterbury



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Canterbury region was mainly focused on growing Canterbury and supporting the recovery of Christchurch, while continuing to support Canterbury's resilient export sector by maintaining and enhancing strategic freight routes.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

29,900
LANE KMS

of local roads and state highways maintained

5%
INCREASE

in deaths and serious injuries in road crashes (from 343 in 2011/12 to 361 in 2014/15*)

25%
INCREASE

in trips taken by bus (from 11,352,649 in 2011/12 to 14,219,679 in 2014/15)

56%
INCREASE

in trips taken by ferry (from 79,818 in 2011/12 to 124,416 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Canterbury total	321,306	884,890
New and improved infrastructure for state highways	104,132	290,988
Renewal, maintenance and operation of state highways	60,274	180,652
New and improved infrastructure for local roads	31,225	49,654
Renewal, maintenance and operation of local roads	94,620	286,025
Public transport infrastructure	6,212	6,544
Public transport services	21,068	62,881
Other ¹²	3,775	8,146

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

¹² Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Making significant progress on delivering the Christchurch Motorways (roads of national significance) programme: these projects improve network efficiency, resilience and safety improvements for Greater Christchurch, and work included:

- the Southern Motorway (State Highway 76): stage 1 opened in December 2012 and designation and consents granted for stage 2 in 2014
- the Western Corridor (State Highway 1): completing four-laning from Sawyers Arms Road to Harewood Road and Avonhead Road to Waterloo Road, and starting construction on the three final sections – Western Belfast Bypass, Groynes to Sawyers Arms, and the Harewood Road to Avonhead Road section including the Memorial Avenue Interchange
- the Northern Corridor: designation and consents have been received (this now in the appeal period).

Implementing the Environment Canterbury hubs and spokes bus services model: the final stage of the design was implemented in December 2014 and the first stage of the new central Christchurch bus interchange was opened in May 2015. These initiatives aim to increase passenger transport across greater Christchurch as the network recovers from the effects of 2011 earthquakes.

Reaching agreement to reopen the critical Sumner to Lyttelton route: the Transport Agency and the Canterbury Earthquake Recovery authority reached agreement with Christchurch City Council to a staged approach to reopen this critical route, with work to commence late in 2015.

Investing in critical infrastructure renewal and upgrades across the region: in June 2015 the Waimakariri District Council completed the Ashley River Bridge replacement and the Transport Agency completed the two new State Highway 82 bridges across the Waitaki River at Kurow. These significantly improve the resilience and capacity of the network and provide access for cyclists. The Timaru District is also well advanced with the upgrade of the Factory Road Bridge at Temuka on the critical freight route to Fonterra's Clandeboye dairy factory.

Progressing the rebuild of the Christchurch City transport networks following the 2011 earthquakes: the most significant achievements were opening the new Ferrymead Bridge, and completing two (and starting on a further three) of the eight projects in stage one of 'An Accessible City' to create the new pedestrian and cycle friendly network supporting the central city recovery.

Establishing the Christchurch Transport Operations Centre: established in July 2013 in partnership with Christchurch City Council, Environment Canterbury and the Transport Agency, this centre has been a major step forward in making the most of the combined state highway and local road networks across Christchurch. It provides improved coordination, planning and management of day-to-day activity alongside rebuild activity.

West Coast

WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the West Coast region concentrated on maintaining the current good condition of its key strategic roads, with a focus on route security and safety.

Together with our partners, we said we would invest in:

- ensuring key strategic routes (principally State Highway 73) continue to support the region's primary industry and tourism
- investigating the installation of a 'clip-on' addition to the Taramakau River Bridge
- improving safety for cyclists and motorcyclists.

WHAT DID WE SEE?

**5,000
LANE KMS**

of local roads and state highways maintained

**8%
DECREASE**

in deaths and serious injuries in road crashes (from 38 in 2011/12 to 35 in 2014/15*)

**19%
DECREASE**

in trips taken by bus (from 29,727 in 2011/12 to 23,952 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
West Coast total	38,478	121,032
New and improved infrastructure for state highways	1,816	4,436
Renewal, maintenance and operation of state highways	25,680	85,517
New and improved infrastructure for local roads	948	1,898
Renewal, maintenance and operation of local roads	9,880	28,740
Public transport services	82	241
Other ¹³	72	200

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

¹³ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Starting improvements to the Taylorville-Blackball Road: this project will be completed in 2015/16 and improve safety and freight efficiency.

Completing repairs on three slips on the Karamea Highway: these repairs will improve the resilience of the route to Karamea. A fourth slip had poor foundation conditions and has had to be redesigned.

Designing and installing rubber mats for the Taramakau River Road/Rail Bridge: these mats will improve safety for cyclists and motorcyclists. Installation began early in 2015 and was scheduled to be completed in July.

Installing rockfall protection systems at the Diana Falls: completed in March 2015 following a large rockfall in 2013/14, this system provides resilience and allows safe travel along State Highway 6, an isolated but critical highway for tourism and freight.

Improving safety: over 2012–15 we delivered a range of safety improvements including road safety education programmes for visiting drivers and additional roadmarking.

Otago



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Otago region focused on maintaining the efficiency, overall resilience and safety of the extensive network for individual road users and freight movers.

Together with our partners, we said we would invest in:

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

WHAT DID WE SEE?

18,700
LANE KMS

of local roads and state highways maintained

23%
INCREASE

in deaths and serious injuries in road crashes (from 160 in 2011/12 to 197 in 2014/15*)

1%
DECREASE

in trips taken by bus (from 2,849,372 in 2011/12 to 2,809,010 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Otago total	93,379	269,279
New and improved infrastructure for state highways	14,127	40,235
Renewal, maintenance and operation of state highways	28,841	90,649
New and improved infrastructure for local roads	6,789	12,385
Renewal, maintenance and operation of local roads	35,400	105,107
Public transport infrastructure	246	339
Public transport services	4,260	12,076
Other ¹⁴	3,716	8,488

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

¹⁴ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Establishing the Visitor Driver Signature Project: established in March 2014, this project aims to improve visitor driver safety through a combination of activities, including travel information and potentially the implementation of additional rumble strips, wide centrelines, chevrons, wire rope barriers, pull-off areas and safer speeds.

Progressing the Lookout Point Bridge as part of the Caversham Valley Safety Improvements: this bridge connects the communities divided by the motorway and improves safety and travel times in this high volume arterial between Mosgiel and the Central City. This is the final part of the Caversham Highway Improvements, scheduled for completion in late 2015.

Making HPMV access available from Cromwell to Frankton State Highway 6: bridge strengthening work has been completed on Kawarau Bridge, Gentle Annie Bridge and Kawarau (Victoria) Bridge. This has opened the route to 50MAX and HPMVs to operate from Christchurch to Queenstown.

Completing design work for the Kawarau Falls Bridge replacement and putting it out to tender: the tender for this project was published in March 2015. Once complete, the bridge will ease congestion and improve travel times.

Progressing an extension of the State Highway 88 shared path to Port Chalmers and the State Highway 1 one-way pair separated cycle lanes: both these projects aim to improve safety for pedestrians and cyclists and make cycling a more attractive option for commuting, shopping or getting to school or university. Positive economic benefits for Dunedin tourism are also expected.

Partially completing the South Dunedin Cycle network: further work is required to achieve an appropriate level of service and this is scheduled to be completed by the end of 2015. The completed routes will increase the number of people cycling to school, work and other popular destinations such as St Clair.

Completing planning and approvals for a more effective and simplified bus network in Dunedin: this project will restart patronage growth. As part of this work, the first contract under a new contracting model started 1 July, which delivers better value for money through more frequent services and new vehicles being delivered at a competitive price.

Delivering a combined Otago–Southland Regional Land Transport Plan: the work of Otago and Southland Regional Transport Committees has led to an agreed view of important transport projects that affect both regions, particularly concerning freight and tourist movements. The plan was approved in April 2015.

Strengthening the Clydevale Bridge: undertaken by Clutha District Council this project provides opportunities for HPMV and over-dimension traffic, and improve route resilience.

Successfully trialling increased public transport feeder services for the Wakatipu Basin: this initiative, trialled between 2010 and 2013, increased public transport trips by about 100,000 per year.

Southland



WHAT DID WE SET OUT TO ACHIEVE?

Over 2012-15, NLTP investment in the Southland region focused on maintaining the efficiency, overall resilience and safety of its extensive network for individual road users and the freight movement of its primary products.

Together with our partners, we said we'd invest in:

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

WHAT DID WE SEE?

14,300
LANE KMS

of local roads and state highways maintained

23%
DECREASE

in deaths and serious injuries in road crashes (from 77 in 2011/12 to 59 in 2014/15*)

38%
DECREASE

in trips taken by bus (from 393,000 in 2011/12 245,118 in 2014/15)

HOW MUCH DID THE NLTF INVEST?

ACTIVITY CLASS	ACTUAL \$000	
	2014/15	2012-15
Southland total	43,196	136,462
New and improved infrastructure for state highways	2,560	5,411
Renewal, maintenance and operation of state highways	17,416	65,562
New and improved infrastructure for local roads	2,042	4,883
Renewal, maintenance and operation of local roads	20,095	56,698
Public transport infrastructure	9	59
Public transport services	912	3,182
Other ¹⁵	162	667

* Road safety figures are for the year ended 31 March. March 2015 figures are based on provisional data.

¹⁵ Other includes: road safety, transport planning, and walking and cycling activities.

WHAT WERE THE HIGHLIGHTS?

These are some of the key investments made through the 2012–15 NLTP.

Strengthening Tiwai Bridge in Invercargill to allow for HPMV access: the bridge deck has been completed and we are now undertaking pile and pile cap strengthening with completion expected in December 2015. This work guarantees better access to the Port of Bluff, supporting the Southland economy.

Progressing construction of the Woodlands passing lanes: this project provides passing opportunities on SH1 between Edendale and Invercargill improving travel times.

Establishing the Visitor Driver Signature Project: established in March 2014, this project aims to improve visitor driver safety through a combination of activities, including travel information and potentially the implementation of additional rumble strips, wide centrelines, chevrons, wire rope barriers, pull-off areas and safer speeds.

Delivering a combined Otago–Southland Regional Land Transport Plan: the work of Otago and Southland regional transport committees has led to an agreed view of important transport projects that affect both regions, particularly concerning freight and tourist movements. The plan was approved in April 2015.

Continuing to identify maintenance and operation efficiencies: this will be achieved through Southland District's Economic Network Plan.

Installing a temporary portal on the west side of Homer Tunnel: installed in February 2013, the portal improves safety by protecting road users from rock fall.

Constructing a roundabout on the intersection of State Highway 1 Tay Street and Racecourse Road: this project was completed in August 2013 to improve safety.

Resizing and simplifying Invercargill's public transport service: Invercargill now has four routes with school services provided separately. Fare revenue is currently contributing to almost 30% of operating costs as operating costs have reduced (due to less service kilometres) and an off-peak fare has been introduced.

Installing a rural intersection active warning sign: in August 2013, as part of the national trial on State Highway 1 at Kennington an active warning sign was installed to reduce serious crashes at this site.

2015-18 NATIONAL LAND TRANSPORT PROGRAMME

On 30 June 2015 the Transport Agency announced the details of the 2015-18 NLTP. The \$13.9 billion forecast expenditure for 2015-18 marks a 15% increase compared to the 2012-15 NLTP and includes more than \$10 billion from the NLTF. The 2015-18 NLTP focuses on four themes, underpinned by the continued emphasis on value for money: encouraging economic growth and productivity; making journeys safer; shaping smart transport choices; and effective and resilient networks.

The programme has a strong focus on economic growth and productivity with 55% of investment focused towards this outcome. A total of 23% is focused on road safety and 22% on travel choices, health and the environment. Improving road safety will continue to be a key area of focus through the NLTP, with \$3.2 billion to be invested through the programme over the next three years, an increase of \$550 million from 2012-15.

The introduction of a new regional improvements activity class, which replaces the regionally distributed (R) funding scheme, will see a number of road improvement projects outside the major metropolitan areas being developed, alongside the government-funded Accelerated Regional State Highway Programme which was announced last year.

Direct investment in cycling will triple that made in the 2012-15 NLTP, rising to more than \$250 million, including about \$97 million of Crown investment under the Urban Cycleways Programme. The increase reflects a growing focus on promoting active transport modes. When combined with wider investments in cycling facilities, including those delivered as part of improvements to local roads and state highways, the total investment in cycling in New Zealand over the next three years is anticipated to be between \$350 million and \$400 million, delivering over 250km of new urban cycleways and greater network connectivity.



SECTION D STATEMENT OF PERFORMANCE

Christchurch-Lyttelton
Road Tunnel 50th
Birthday celebrations



STATEMENT OF RESPONSIBILITY

In terms of the Land Transport Management Act 2003, we are responsible for the preparation of the National Land Transport Fund financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the National Land Transport Fund under section 19A of the Public Finance Act 1989.

We have 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 our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the National Land Transport Fund for the year ended 30 June 2015.

Signed on behalf of the Board:



CHRIS MOLLER

Chair

19 OCTOBER 2015



JERRY RICKMAN

Chair of Audit, Risk
and Assurance Board
Committee

19 OCTOBER 2015

Countersigned by:



GEOFF DANGERFIELD

Chief Executive

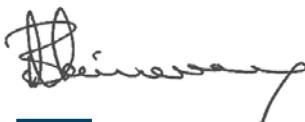
19 OCTOBER 2015



PAUL LAPLANCHE

Chief Financial Officer

19 OCTOBER 2015



BRANDON MAINWARING

National Manager Accountability
and Performance

19 OCTOBER 2015

NATIONAL LAND TRANSPORT FUND STATEMENT OF PERFORMANCE 2014/15

This section summarises the performance of activity classes under the Government Policy Statement on Land Transport (GPS) that are funded from the National Land Transport Fund (NLTF), and it provides a full statement of performance for road policing activities delivered by the NZ Police.

INVESTING IN LAND TRANSPORT

Table 1 lists the GPS activity classes funded from the NLTF, with the exception of road policing. A statement of performance for each activity class in table 1 can be found in the NZ Transport Agency's annual report (pages 100 - 135).

In some cases the Transport Agency delivers these activities, in others it partly delivers them along with local authorities, and in others it invests in the activities (through the NLTP) but does not deliver them. In total, investments through the NLTF achieved 15 of 25 (60%) of forecast results.

ACTIVITY CLASS	TRANSPORT AGENCY ROLE	STATEMENT OF PERFORMANCE
Management of the funding allocation system	Delivering services	page 100
Transport planning	Delivering services with local authorities	page 102
Sector research	Delivering services	page 104
New and improved infrastructure for state highways	Delivering services and investing	page 116
Renewal of state highways	Delivering services and investing	page 118
Maintenance and operations of state highways	Delivering services and investing	page 120
Public transport	Delivering services with local authorities	page 122
Road safety promotion	Delivering services with local authorities	page 126
New and improved infrastructure for local roads	Investing	page 128
Renewal of local roads	Investing	page 130
Maintenance and operations of local roads	Investing	page 132
Walking and cycling	Investing	page 134

Table 1 - Activity classes funded by the NLTF

ROAD POLICING PROGRAMME

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

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

The Road Policing Programme contributes to a reduction in deaths and serious injuries from road crashes, and trauma by deterrence and enforcing the law applying to road users. The activity has a secondary contribution to economic growth and productivity by increasing compliance with road user charges, commercial vehicle operator and vehicle dimension and mass rules, thereby protecting the roading asset, ensuring more efficient freight supply chains and supporting the resilience and security of the transport network. This is again delivered by deterrence and enforcing the law.

Key achievements

The Transport Agency's key achievements during 2014/15 were leading the Transport Agency/NZ Police Road Policing Programme Strategic Oversight Committee and reporting quarterly to the Minister of Transport on NZ Police delivery of the 2012-15 Road Policing Programme.

The Strategic Oversight Committee comprises senior managers from both organisations. It considered a wide range of issues during the year, including the static camera expansion programme, which includes speed and red light cameras, and the preparation of the 2015-18 Road Policing Programme.

When reporting to the Minister, the Transport Agency applied a new monitoring and reporting framework that focuses on the outcomes that NZ Police make a significant contribution to and is designed to enable monitoring of efficiency and effectiveness, and to maintain investment confidence and improve the future delivery of the programme.

For full details of NZ Police activities, including the Road Policing Programme, see the New Zealand Police Annual Report 2014/2015.

What this investment covers

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

In delivering road policing activities, NZ Police:

- encourage all drivers on New Zealand roads to observe and abide by the road rules
- work with individuals and groups in the community so they take responsibility for themselves and others on our roads
- work with local authorities and transport authorities, for example to reduce speed
- target road policing delivery to provide general deterrence and address analysed risk
- consider opportunities for enhanced road safety through environmental design.

Sector or departmental outcome links

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

How did the investment perform?

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

INVESTMENT INDICATOR	LATEST ACTUAL	TREND	LAST ACTUAL	DESIRED TREND
High-risk drivers: Disqualified drivers detected driving	7,583 (March 2015)	Decrease	8,058 (Sept 2013)	Decrease
High-risk drivers: Number of disqualified or unlicensed drivers involved in fatal/serious crashes	169 (March 2015)	Decrease	178 (March 2014)	Decrease
Young drivers: Number of drivers on graduated driver licences at fault in fatal/serious crashes	253 (March 2015)	Increase	216 (March 2014)	Decrease
Young drivers: % of youth who believe they will be stopped for non-alcohol/speed traffic offences	49% (2014)	Increase	45% (2013)	Increase
Motorcycling: % of motorcycles in crashes without a current warrant of fitness	25% (March 2015)	Decrease	29% (March 2014)	Decrease
Alcohol drug/impaired driving: % of people surveyed who think there is a high probability of being stopped at a compulsory breath test checkpoint	50% (2014)	Decrease	53% (Sept 2013)	Increase
Alcohol drug/impaired driving: % of people surveyed who think there is a high probability of being tested for drugs ¹	10% (2014)	-	New measure	Increase
Speed: % of vehicles exceeding posted speed limits (50km/h and 100km/h)	100km/h: 22% (2014) 50km/h: 52% (2014)	Decrease	100km/h: 25% (2013) 50km/h: 56% (2013)	Decrease
Speed: % of people surveyed who believe there is a high probability of being detected speeding	57% (2014)	Increase	56% (2013)	Increase
Traffic management: Compliance with road user charges regime (percentage of vehicles stopped by CVIU not in breach of RUC rules)	97.5% ² (June 2015)	Static	97.5% (June 2014)	Increase
Traffic management: 'Post-incident' availability of state highway network ³	167 minutes ⁴ (June 2015)	Increase	75 minutes (June 2014)	Decrease

¹ Measure subsequently adjusted to: % admit driven while affected by prescription or other drugs

² Measured by: Percentage of vehicles stopped by CVIU staff not in breach of RUC rules - September 2012 97.1%

³ Measured in terms of average time State Highways closed as a result of crashes (with a desired trend of decrease)

⁴ The 'post-incident' availability of the state highway network was impacted by a number of significant crashes where, by necessity, the highway remained closed for significant periods of time - with one crash closing the highway for 26 hours. It is an emerging data set, with more incidents being recorded into the system, and this will provide for improved reporting.

How did NZ Police perform?

This content is reproduced from the New Zealand Police Annual Report 2014/2015. Commentary on NZ Police service performance is available in the report (www.police.govt.nz).

SERVICE DELIVERY MEASURE	ACTUAL 2014/15	BUDGET STANDARD 2014/15	ACTUAL 2013/14
REDUCE THE IMPACT OF HIGH-RISK BEHAVIOURS			
Number of (officer issued) enforcement actions taken for 'high risk' drivers (driving offences) per 10,000 population	835.8	680 - 720	774
Number of (officer issued) enforcement actions taken for Motorcyclists relating to bike not to standard (warrant of fitness) per 10,000 population	4.0	3.5 - 4.5	4.4
Number of (officer issued) enforcement actions taken for speed per 10,000 population	640.6	590 - 635	648
Number of (officer issued) enforcement actions taken for vehicle occupants for not wearing restraints per 10,000 population	120	120 - 135	140
Number of (officer issued) enforcement actions taken for intersection behaviour and lane compliance per 10,000 population	166.8	125 - 145	152
Number of (officer issued) enforcement actions taken for mobile-phone non-compliance per 10,000 population	52.8	30 - 35	41
Number of (officer issued) enforcement actions taken for breaches of work-time and log-book rules	3,659	2,000 - 3,000	2,743
Number of (officer issued) enforcement actions taken for heavy motor vehicles exceeding the speed limit per 10,000 population	16.5	20 - 30	18
Number of (officer issued) enforcement actions taken for cycle helmet non-compliance per 10,000 population	18.0	20 - 30	25
Number of (officer issued) enforcement actions taken for light vehicle fleet standard requirements (warrant certificate of fitness) per 10,000 population	322.6	270 - 295	319
Number of breath tests conducted	2,555,957	2,700,000 - 2,900,000	3,029,072
Percentage of all commercial vehicles combinations stopped by Commercial Vehicle Investigation Unit (CVIU) staff, and for which vehicle inspection reports are completed	100%	100%	100%
Percentage of roadside inspection reports for all heavy motor vehicle roadside inspections (levels 3, 5 and 6) that are entered into the NZTA Road Inspection database within 20 working days	98.9%	100%	81%
CRASH ATTENDANCE AND REPORTING			
Percentage of all Traffic Crash Reports correctly completed and received by the NZTA within 10 weeks of the crash or within 7 days of completion of file (whichever happens first)	92.6%	95%	93%

SERVICE DELIVERY MEASURE	ACTUAL 2014/15	BUDGET STANDARD 2014/15	ACTUAL 2013/14
IMPACT MEASURES - LESS HARM FROM CRASHES			
Number of pedestrians killed or seriously injured per 10,000 population	0.72	Decrease	0.74
Number of cyclists killed or seriously injured per 10,000 population	0.28	Decrease	0.30
Number of road crashes recorded per 10,000 population	19.69 (2014)	Decrease	20.91 (2013)
Number of hospitalisations (for more than one day) resulting from road crashes per 10,000 population	5.92 (2014)	Decrease	6.34 (2013)
Percentage of 'risk on road' (number of road deaths per 10,000 vehicles)	0.87 (2014)	Decrease	0.77 (2013)
Number of young drivers (15-24 years) involved in fatal crashes	63 (2014)	Decrease	76 (2013)
Percentage of road users travelling over urban road speed limit	52% (2014)	Decrease	56% (2013)
Percentage of road users travelling over open road speed limit	22% (2014)	Decrease	25% (2013)
Rate of child restraint wearing (measured biennially)	93% (2014)	Increase	92% (2012)
Level of road use (reported as 100 million kilometres travelled)	416 (2014)	Maintain	407 (2013)
Decrease in the number of motorcycle related GDL systems offences detected per 10,000 population	4	4	New measure
Decrease in the number of youth-related Graduated Drivers Licensing (GDL) systems offences detected per 10,000 population	1,572	1,449	New measure
Decrease in the percentage of all vehicles stopped in breach of road user charge rules (by CVIU staff)	3%	3%	5%
Decrease in the number of (fatal and non-injury) crashes reported to New Zealand Transport Agency	8,882 (2014)	9,409	9,347 (2013)
Decrease in the number of repeat calls for service, traffic emergency	7,006	New measure	New measure
Decrease in the number of traffic offences identified per 10,000 vehicle stops (including breath testing)	7,006	New measure	5,956

How was the money spent?

Road safety programme for the year ended 30 June 2015*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
Total revenue	312,056	312,056	308,667
Total expenses	311,795	312,056	308,238
Net surplus/(deficit)	261	-	429

* Includes funding from the NLTF and additional Crown funding from Vote Police. In 2013/14 the Vote Police contribution was \$1.6 million and in 2014/15 the contribution was \$13.4 million.

SECTION E
**FINANCIAL
STATEMENTS
AND AUDIT
REPORT**

New urban cycling
and walking pathway
in Rotorua



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	ACTUAL 2014/15 \$M	BUDGET 2014/15 \$M	ACTUAL 2013/14 \$M
REVENUE INFLOWS^a				
Land transport revenue	3	3,184	3,155	2,994
Government contribution to land transport revenue		7	0	3
Management of Crown land and interest		79	75	99
Total revenue flows	4	3,270	3,230	3,096
OUTFLOWS				
National Land Transport Programme		2,954	3,093	2,771
Road Policing Programme		298	297	307
Fuel excise duty/road user charges administration		5	5	5
Forecasting and strategy		1	1	1
Total outflows		3,258	3,396	3,084
SURPLUS/(DEFICIT)		12	(166)	12

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	NOTE	ACTUAL 2014/15 \$M	BUDGET 2014/15 \$M	ACTUAL 2013/14 \$M
ASSETS				
Current assets				
Cash and cash equivalents	5	39	10	136
Receivables	6	267	239	229
Total assets		306	249	365
LIABILITIES				
Current liabilities				
Payables	7	397	652	468
Total liabilities		397	652	468
NET ASSETS		(91)	(403)	(103)
General funds		(91)	(403)	(103)
GENERAL FUNDS CLOSING BALANCE ^a	8	(91)	(403)	(103)

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

STATEMENT OF CHANGES IN GENERAL FUNDS BALANCE FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	ACTUAL 2014/15 \$M	BUDGET 2014/15 \$M	ACTUAL 2013/14 \$M
GENERAL FUNDS OPENING BALANCE				
General funds		(103)	(237)	(115)
Total general funds opening balance		(103)	(237)	(115)
CHANGES IN GENERAL FUNDS BALANCE				
Surplus/(deficit)		12	(166)	12
Total changes in general funds balance		12	(166)	12
GENERAL FUNDS CLOSING BALANCE				
General funds		(91)	(403)	(103)
TOTAL GENERAL FUNDS CLOSING BALANCE ^a		(91)	(403)	(103)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	ACTUAL 2014/15 \$M	BUDGET 2014/15 \$M	ACTUAL 2013/14 \$M
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from land transport revenue		3,232	3,214	3,081
Payments to suppliers		(3,329)	(3,228)	(3,059)
Net cash from operating activities	9	(97)	(14)	22
Net (decrease)/increase in amounts held by the Crown		(97)	(14)	22
Amounts held by the Crown at the beginning of the year		136	24	114
AMOUNTS HELD BY THE CROWN AT THE END OF THE YEAR ^b		39	10	136

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

Reporting entity

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

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

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

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

The National Land Transport Fund is a public benefit entity (PBE) for financial reporting purposes.

The financial statements for National Land Transport Fund are for the year ended 30 June 2015, and were approved by the Board on 19 October 2015.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

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

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest million dollars (\$m).

Standards issued

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The National Land Transport Fund has applied these standards in preparing the 30 June 2015 financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue inflows

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

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

Interest

Interest revenue is recognised using the effective interest method.

Outflows

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

- The Transport Agency – for the funding of the National Land Transport Programme, and fuel excise duty/road user charges administration
- The NZ Police – who provide the Road Policing Programme
- The Ministry of Transport – for forecasting and strategy.

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

The various activities are outlined in the statement of performance.

Assets

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

Employee entitlements

The National Land Transport Fund has no employees.

Goods and services tax

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

Income tax

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

Budget figures

The budget figures are derived from the Transport Agency *Statement of performance expectations* as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

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

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M	ACTUAL 2012/13 \$M
REVENUE INFLOWS			
Land transport revenue	3,184	2,994	2,758
Government contribution to land transport revenue	7	3	3
Management of Crown land and interest	79	99	95
Total revenue flows	3,270	3,096	2,856
OUTFLOWS			
National Land Transport Programme	2,954	2,771	2,519
Road Policing Programme	298	307	280
Fuel excise duty/road user charges administration	5	5	0
Forecasting and strategy	1	1	0
Total outflows	3,258	3,084	2,799
SURPLUS/(DEFICIT)	12	12	57

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

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

3 LAND TRANSPORT REVENUE

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
REVENUE		
Fuel excise duty	1,790	1,650
Road user charges	1,335	1,247
Motor vehicle registration and annual licensing fees	181	188
	3,306	3,085
LESS REFUNDS		
Fuel excise duty	60	46
Road user charges	52	42
Motor vehicle registration and annual licensing fees	1	1
	113	88
Less bad debt write-off	9	2
TOTAL LAND TRANSPORT REVENUE	3,184	2,994

As per the Land Transport Management Act 2003, a payment is made for maritime search and rescue activities from fuel excise duty prior to the duty becoming land transport revenue. This payment was \$9m (2014: \$7m).

4 TOTAL REVENUE FLOWS

The land transport revenue has been classified and treated as non-exchange revenue and accounted for in accordance with PBE IPSAS 23. The nature of these revenue streams is that of taxes and duties.

The interest earned on the nominal cash balance and the management of Crown land has been classified and treated as exchange revenue and accounted for in accordance with PBE IPSAS 9.

5 CASH AND CASH EQUIVALENTS

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

6 RECEIVABLES

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
Debtors - fuel excise duty	249	199
Debtors - motor vehicle register/road user charges	18	30
TOTAL RECEIVABLES	267	229

7 PAYABLES

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
Transport Agency (for the National Land Transport Programme)	397	468
TOTAL PAYABLES	397	468

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

8 GENERAL FUNDS CLOSING BALANCE

Although the National Land Transport Fund has negative equity, the Fund's liquidity will be actively managed over the next 12 months. The Board has agreed to commit to the creation of future surpluses to reinstate equity to being positive over time.

9 RECONCILIATION OF NET SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
NET SURPLUS/(DEFICIT) AFTER TAX	12	12
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:		
(Increase)/decrease in receivables	(38)	(15)
Increase/(decrease) in payables	(71)	25
Net movements in working capital items	(109)	10
NET CASH FROM OPERATING ACTIVITIES	(97)	22

10 CAPITAL COMMITMENTS AND OPERATING ROADING COMMITMENTS

The National Land Transport Fund has no commitments.

The planned aggregate funding outflows for the National Land Transport Fund are as follows:

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
Not later than one year	3,386	2,940
Later than one year and not later than five years	5,893	1,247
Later than five years	3,792	696
TOTAL FUNDING COMMITMENTS	13,071	4,883

11 CONTINGENCIES

Contingent liabilities

The National Land Transport Fund has no contingent liabilities (2014: Nil).

Contingent assets

The National Land Transport Fund has no contingent assets (2014: Nil).

12 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

The National Land Transport Fund is a wholly owned entity of the Crown

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the National Land Transport Fund would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the nominal terms and conditions for such transactions.

Key management personnel compensation

Under the definition of PBE IPSAS 20, the National Land Transport Fund has no key management personnel.

13 FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 30 categories are as follows:

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
LOANS AND RECEIVABLES		
Cash and cash equivalents	39	136
Receivables	267	229
TOTAL LOANS AND RECEIVABLES	306	365
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Payables	397	468
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	397	468

14 FINANCIAL INSTRUMENT RISKS

The National Land Transport Fund's activities expose it to a variety of financial instrument risks, including credit risk and liquidity risk. The National Land Transport Fund has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the National Land Transport Fund, causing the National Land Transport Fund to incur a loss.

In the normal course of business, the National Land Transport Fund is exposed to credit risk from debtors and other receivables. For these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

The cash balance is nominal and held within the Government's Crown account.

The National Land Transport Fund holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

The National Land Transport Fund's maximum credit risk exposure for each class of financial instrument is as follows:

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
Receivables	267	229
TOTAL CREDIT RISK	267	229

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings.

	ACTUAL 2014/15 \$M	ACTUAL 2013/14 \$M
CASH AND CASH EQUIVALENTS		
AA+	39	136
TOTAL CASH AND CASH EQUIVALENTS	39	136

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the National Land Transport Fund will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash.

The National Land Transport Fund mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	2014/15 LESS THAN 6 MONTHS \$M	2013/14 LESS THAN 6 MONTHS \$M
Payables	397	468

Contractual maturity analysis of financial assets

The table below analyses financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	2014/15 LESS THAN 6 MONTHS \$M	2013/14 LESS THAN 6 MONTHS \$M
Cash and cash equivalents	39	136
Receivables	267	229

15 CAPITAL MANAGEMENT

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

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

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

16 COMMITMENTS TO REGIONS REPORTING

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

	LTMA COMMITMENT \$M	DUE BY	ACTUAL TO DATE \$M
Bay of Plenty	135	2015/16	130
Wellington land transport (Western corridor) *	625	2016/17	361
TOTAL	760		491

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

All other regional commitments have been fully met.

17 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Revenue inflows

Land transport revenue was higher than budgeted by \$29 million. Increased fuel excise duty was the main driver for being above budget.

Outflows

National Land Transport Programme was lower than budgeted by \$139 million. This was largely due to underspending in Approved Organisations payments, which was partially offset by accelerated spend on the state highway.

OUTPUT CLASS FUNDING TO THE NZ TRANSPORT AGENCY

	ACTUAL 2014/15 \$M	BUDGET 2014/15 \$M	ACTUAL 2013/14 \$M
Management of the funding allocation system	31	30	30
Transport planning	15	23	14
Sector research	5	6	4
Public transport	298	319	272
Road safety promotion	33	33	31
New and improved infrastructure for local roads	188	167	125
Renewal of local roads	248	251	233
Maintenance and operation of local roads	291	385	303
Walking and cycling	30	18	18
New and improved infrastructure for state highways	1,282	1,284	1,215
Renewal of state highways	175	214	161
Maintenance and operation of state highways	358	362	365
TOTAL OUTPUT CLASS FUNDING TO THE TRANSPORT AGENCY	2,954	3,093	2,771

INDEPENDENT AUDITOR'S REPORT



To the readers of National Land Transport Fund's financial statements and performance information for the year ended 30 June 2015

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

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the NLTF on pages 263 to 275, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, statement of changes in general funds balance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information
- the statement of performance of the NLTF on pages 257 to 261.

In our opinion:

- the financial statements of the NLTF:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity International Public Sector Accounting Standards.
- the performance information:
 - presents fairly, in all material respects, the NLTF's performance for the year ended 30 June 2015 including:
 - for each class of reportable outputs:
 - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been achieved with the appropriations; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 19 October 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported performance information within the NLTF's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

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

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

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

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

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

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



BRENT MANNING

KPMG

ON BEHALF OF THE AUDITOR-GENERAL

WELLINGTON, NEW ZEALAND

