

# SECTION D STATEMENT OF PERFORMANCE

Hitting the streets of Wellington to find out how our customers prefer to license their vehicle online



# STATEMENT OF RESPONSIBILITY

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

The Board is responsible for any end-of-year performance information provided by the Transport Agency under section 19A of the Public Finance Act 1989.

The Board of the Transport Agency has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board’s opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Transport Agency 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

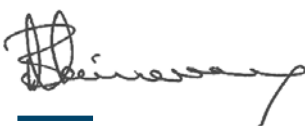
**Countersigned by:**



**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

# STATEMENT OF PERFORMANCE

This statement of performance sets out the outputs (goods and services) we are funded to provide, including those funded by the National Land Transport Fund (NLTF), and the standards to which we assess our service delivery and investment performance. These output classes fall under four broad functions:

## **PLANNING THE LAND TRANSPORT NETWORK (PAGES 100 - 105)**

- Management of the funding allocation system
- Transport planning
- Sector research

## **PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM (PAGES 106 - 115)**

- Licensing and regulatory compliance
- Road tolling
- Motor vehicle registry
- Road user charges collection, investigation and enforcement
- Refund of fuel excise duty

## **MANAGING THE STATE HIGHWAY NETWORK (PAGES 116 - 121)**

- New and improved infrastructure for state highways
- Renewal of state highways
- Maintenance and operation of state highways

## **INVESTING IN LAND TRANSPORT (PAGES 122 - 135)**

- Public transport
- Administration of the SuperGold cardholders' scheme and Enhanced public transport concessions for SuperGold cardholders
- Road safety promotion
- New and improved infrastructure for local roads
- Renewal of local roads
- Maintenance and operation of local roads
- Walking and cycling

# SUMMARY OF OUR SERVICE DELIVERY AND INVESTMENT PERFORMANCE

The statement of performance in the following pages describes the services we delivered and invested in during 2014/15. This statement reports how we performed, and the revenue earned and expenses incurred for each output class. It compares this with the forecast standards included in our *Statement of performance expectations 2014-18*.

The following table summarises our performance against our service delivery targets and investment forecasts by output class. In total, we achieved 36 out of 46 (78%) of our service delivery targets, while our investments through the NLTF achieved 15 of 25 (60%) of our forecast results. This reflects steady performance across our four core functions of planning and investing in land transport networks, providing access to and use of the land transport system, managing the state highway network, and investing in land transport.

DELIVERED BY	OUTPUT CLASS	NUMBER ACHIEVED	
		SERVICE DELIVERY TARGETS	INVESTMENT FORECASTS
<b>PLANNING THE LAND TRANSPORT NETWORK</b>			
Transport Agency	Management of the funding allocation system	3 of 5	
Transport Agency and local authorities	Transport planning	0 of 1	
Transport Agency	Sector research	1 of 1	
<b>PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM</b>			
Transport Agency	Licensing and regulatory compliance	4 of 7	
	Road tolling	4 of 4	
	Motor vehicle registry	5 of 6	
	Road user charges collection, investigation and enforcement	3 of 3	
	Refund of fuel excise duty	2 of 2	
<b>MANAGING THE STATE HIGHWAY NETWORK</b>			
Transport Agency	New and improved infrastructure for state highways	3 of 4	2 of 2
	Renewal of state highways	3 of 3	2 of 5
	Maintenance and operations of state highways	4 of 5	2 of 3
<b>INVESTING IN LAND TRANSPORT</b>			
Transport Agency and local authorities	Public transport		2 of 3
	Administration of the SuperGold cardholders' scheme and Enhanced public transport concessions for SuperGold cardholders	2 of 2	
	Road safety promotion	2 of 2	
Local authorities	New and improved infrastructure for local roads		0 of 2
	Renewal of local roads		4 of 6
	Maintenance and operations of local roads	0 of 1	3 of 3
Transport Agency and local authorities	Walking and cycling		0 of 1

# PLANNING THE LAND TRANSPORT NETWORK

## OUTPUT CLASS

### MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM

Delivered by the Transport Agency and funded from the NLTF and the Crown

#### What do we do?

The scope of this output class is managing, monitoring and advising transport sector stakeholders on the allocation of the National Land Transport Fund, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. It covers our internal operating costs to:

- › efficiently develop and manage the National Land Transport Programme (NLTP) to achieve operational objectives and long-term transport outcomes
- › develop a shared view of planning and investing with our investment partners
- › provide policy advice to government on policy frameworks
- › monitor and audit land transport activities and the performance of organisations that we invest with
- › provide investment and procurement advice on land transport activities including public transport
- › monitor and report on work undertaken in the national Road Policing Programme.<sup>1</sup>

#### How does this contribute to our long-term goals?

Management of the funding allocation system helps deliver on our long-term goal of integrating one network for customers. It makes a contribution to a number of medium-term objectives through management of NLTF investments. We seek to invest in outputs that maximise the overall benefit for New Zealand's land transport system.

#### What were our key achievements?

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

- › following an extensive review, finalising Funding Assistance Rates (FARs) for transport investments made by local authorities and other approved organisations, following an extensive review
- › developing the Investment Assessment Framework, which is used to assess all proposed activities and determine whether they are eligible for funding and their investment priority
- › working with planning and investment partners as they developed their Regional Land Transport Programmes that contributed to the 2015-18 NLTP
- › successfully delivering the 2015-18 NLTP, developed using a number of significant initiatives, including benefits modelling and the journey approach
- › contributing to the ongoing work of the Road Efficiency Group to support greater collaboration in the sector, including embedding the One Network Road Classification, and introducing other initiatives to improve procurement practices
- › assessing and allocating funding to new improvement activities and monitoring the implementation and delivery of approved activities and programmes through the third year of the 2012-15 NLTP
- › delivering an investment assurance programme targeted to risk and ensuring funded activities delivered value for money. For 2014/15 this included a lead role in ensuring the Christchurch infrastructure rebuild programme is being well managed, as well as 27 investment audits of organisations that received funding through the NLTP and seven post-implementation reviews of completed improvement projects
- › working with the NZ Police to prepare the 2015-18 Road Policing Programme in accordance with the Land Transport Management Act 2003, including the work programme to be delivered in 2015/16 by police.



**This year we successfully delivered the 2015-18 NLTP, which was developed using a number of new initiatives, such as benefits modelling and the journey approach, while keeping costs to <1% of NLTP expenditure.**

<sup>1</sup> For detailed information about the Road Policing Programme refer to page 258.

### How did we perform?

We achieved three of our five targets for management of the funding allocation system.

Investment assurance activities were reprioritised in 2014/15 to focus on leading an assurance programme to ensure the Christchurch infrastructure programme is being well managed and delivering value for money. This is part of a concerted and ongoing effort to direct investment assurance resources to the areas of greatest perceived risk or need. As a result, three of the 30 planned investment audits and two of nine planned post-implementation reviews were deferred until 2015/16.

The percentage of activities delivered to agreed standards has declined against 2013/14 as resources were prioritised towards the development of the 2015-18 NLTP. Work streams are in place to address the slippage.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Total cost of managing the funding allocation system as a % of total NLTP expenditure <sup>(1)</sup>	0.9%	<1%	-	1%
% of operational assurance activities completed <sup>(2)</sup>	85%	100%	-15%	90%
% of activities that are delivered to agreed standards and timeframes <sup>(3)</sup>	95%	100%	-5%	99%
Average number of days taken to deliver <sup>(4)</sup>	7.9	20	+12.1	14
% customer satisfaction <sup>(5)</sup>	73%	>65%	+8%	74%

<b>KEY</b>	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	31,761	30,775	986	30,486
Expenditure	31,761	30,775	(986)	30,736
Net surplus (deficit)	0	0	0	(250)

\* For full output class income and expenditure, see pages 143 - 152.

OUTPUT CLASS  
**TRANSPORT  
 PLANNING**

Delivered by the Transport Agency and local authorities and funded from the NLTF

### What do we do?

The scope of this output class is developing plans for improving the transport network and systems, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Under this output class we invest in and influence:

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

### How does this contribute to our long-term goals?

Transport planning helps deliver on our long-term goal of integrating one network for customers. It contributes to a number of our medium-term objectives by providing greater certainty for regional land transport strategies and programmes, infrastructure development and activity management, and investment in the New Zealand transport system.

### What were our key achievements?

The key achievements for transport planning reflect our goal to integrate transport into one network for customers through land use and transport planning, which will deliver greater safety and efficiency while growing more jobs. Our key achievements were:

- › drafting the Upper North Island Freight Accord to support driver training and engage the freight sector in further reducing the cost of freight movement (we consulted with industry and have begun working on key areas identified in the document)
- › completing the programme business case into Bus Rapid Transit within Wellington city to determine the preferred options
- › drafting the South Island Freight Story and the Freight Action Plan, which form the basis for prioritising actions to reduce the cost of freight movement in the South Island, especially in and around Christchurch
- › completing reviews of our State Highway Activity Management Plan, which enable prioritisation of funding from the NLTP for state highway maintenance, renewals and improvements.



The key achievements for transport planning reflect our goal to integrate transport into one network for customers through land use and transport planning.

**How did we perform?**

Overall our transport planning performance for the year was strong and we completed a number of key projects. We did not achieve our service delivery target due to resource constraints and some projects progressing more slowly than planned. Eight of our 29 activities for studies, strategies and models, and programme business cases did not meet 'on time' standards. We plan to complete the unfinished work in 2015/16. Additionally, five activities did not meet 'on cost' standards. Activity management planning achieved all 'on time' and 'on cost' standards.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
% of activities that are delivered to agreed standards and timeframes <sup>(6)</sup>	86%	>90%	-4%	82%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

**Financial results**

Transport planning expenditure ended the year \$8m below budget due to extended timelines for some projects because of the added value of transitioning to the new business case approach for transport planning and investing. This gives a total spend over the 2012-15 NLTP of \$44m against a planned expenditure of \$50m, putting it at the lower range of the Government Policy Statement (GPS) allocation. We achieved the anticipated outcomes for significantly less expenditure than anticipated through smarter procurement of internal resources and progress on better collaboration with councils, including early business case workshops, working on the One Network Road Classification and developing state highway management plans.

**How is the money spent?\***

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	15,226	23,356	(8,130)	14,927
Expenditure	15,226	23,356	8,130	14,927
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure, see pages 143 - 152.



## OUTPUT CLASS SECTOR RESEARCH

Delivered by the Transport Agency and funded from the NLTF

### What do we do?

The scope of this output class is research as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Under this output class we purchase research to improve knowledge and investment decisions made in the land transport system. The research programme informs our policies and guidelines and is made available to transport stakeholders and the general public

### How does this contribute to our long-term goals?

Sector research contributes to our long-term goal of integrating one network and to our other transport goals indirectly. We seek to manage research to maximise the delivery of and the benefit derived from all our other outputs.

### What were our key achievements?

Our key achievements were:

- › realising benefits for the sector from the NLTF investment in research, through:
  - procuring and contracting 36 new research projects on topics ranging from economic analysis to asset management and from technology solutions to safety
  - publishing 16 peer reviewed and edited research reports on our website, providing free access to research findings and recommendations<sup>2</sup>
  - publishing five research newsletters promoting 22 research projects<sup>3</sup>
- › investing a total of \$4m over the year across research topics areas such as asset management (\$2m), safety (\$600k), network optimisation (\$355k), environmental effects (\$340k), economic analysis (\$330k) and technology solutions (\$290k)
- › increasing awareness and use of our research reports and their findings through presentations at conferences and articles in newsletters (and we have seen an increasing amount of media interest in our research)
- › enhancing transport sector decision making and service delivery by contributing to the sector's thinking, knowledge and evidence base.



**Sector research enhances transport sector decision making and service delivery by contributing to the sector's thinking, knowledge and evidence base.**

<sup>2</sup> [www.nzta.govt.nz/planning-and-investment/our-investments/research/](http://www.nzta.govt.nz/planning-and-investment/our-investments/research/)

<sup>3</sup> [www.nzta.govt.nz/resources/nzta-research/](http://www.nzta.govt.nz/resources/nzta-research/)

### How did we perform?

We achieved 100% against our service delivery target for this year. Research activities were measured against three components: agreed cost, quality and timeliness.

SERVICE DELIVERY <sup>°</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
% of activities that are delivered to agreed standards and timeframes <sup>(7)</sup>	100%	100%	-	100%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>°</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

Sector research expenditure ended the year \$1.1m below the 2014/15 budget and the original \$6.1m 2014/15 NLTP allocation. However, the forecast spend was adjusted down during the year from \$6.1m to \$5m based on the number of topics assessed as high priority for research and the resources available internally to manage their delivery. The actual spend is consistent with the revised expected spend. Over the 2012-15 NLTP, sector research spend was slightly above the midpoint of the GPS range of \$12m, averaging \$4.2m per annum.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	5,001	6,100	(1,099)	4,197
Expenditure	5,001	6,100	1,099	4,197
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure, see pages 143 - 152.

# PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM

## OUTPUT CLASS LICENSING AND REGULATORY COMPLIANCE

Delivered by the Transport Agency and funded from fees and charges and the Crown

### What do we do?

The scope of this output class is purchase of land transport regulatory implementation services, specialist land transport enforcement services, and licensing services, including driver licensing. Under this output class, we:

- › develop land transport rules (under contract to the Ministry of Transport)
- › develop clear and well-understood standards for vehicle inspection and certification, transport service licensing operations, rail safety operations and vocational driver licensing
- › monitor and audit compliance with regulatory standards/requirements for vehicles, drivers, operators and transport systems providers
- › provide ministerial services
- › provide driver and transport operator (including rail operator) licensing and testing services
- › maintain the driver licence register
- › issue overdimension permits
- › administer drug and alcohol assessments of drivers and operators (funded by the Ministry of Health)
- › provide licensing information and advice.

### How does this contribute to our long-term goals?

Licensing and regulatory compliance primarily contributes to our long-term goal of shaping smart transport choices. Licensing and regulatory compliance services reduce deaths and serious injuries through regulation of drivers, vehicles and commercial operators, and the associated influence on drivers and driver behaviour. Regulatory activities also make a secondary contribution by incentivising and supporting the efficiency of freight supply chains, reducing adverse environmental effects, and vehicle fleet efficiency.

### What were our key achievements?

Our key achievements were regulatory and business improvements.

Regulatory improvements included:

- › reducing compliance costs for customers while maintaining road safety outcomes by implementing major changes to the certificate of fitness (CoF) system and making changes to warrant of fitness (WoF) frequency requirements
- › incentivising novice drivers to progress through the graduated driver licensing system by implementing a five-year time limit on new, learner and restricted car and motorcycling licences. This is expected to contribute to better safety outcomes for young drivers
- › with NZ Police, implementing lower legal alcohol limits. This change brings New Zealand law into line with the

limits in the majority of OECD (Organisation for Economic Co-operation and Development) countries, providing safer journeys for all New Zealanders

- › addressing a critical barrier to supporting productivity in the freight sector by amending the Vehicle Dimensions and Mass Rule and linked regulations to ensure the penalties for breaches of high productivity motor vehicles (HPMVs) permit requirements and conditions incentivise productive use of vehicles and correct purchase of road user charges (RUC)
- › enhancing our effectiveness as the rail regulator by increasing our capability, risk focus and collaboration with partner agencies
- › progressing measures to improve rail tunnel safety – we saw a reduction in fatalities on the rail corridor and occurrences of signals passed at danger (SPAD)
- › conducting a Special Safety Assessment on the National Train Control Centre to test the safety performance of this critical function, and improving in response to opportunities identified in the assessment.

Business improvements included:

- › transitioning to a new supplier for practical driver testing services, improving the availability and delivery of testing services and providing an environment for further service improvements over the next two years
- › with ACC, developing a series of online videos to help learner drivers master the key driving skills they need to pass their restricted licence test and set them up for a lifetime of safe driving habits
- › expanding the driver mentor programme thereby helping more disadvantaged young learner drivers get their restricted licence, achieve greater independence and improve their employment prospects. The programme is now in Northland, South Auckland, Te Kuiti, Porirua, Gisborne and Christchurch
- › improving the efficiency and effectiveness of our compliance management system by implementing new audit and risk-targeted compliance processes for WoF and CoF inspecting organisations
- › continuing to improve our online services, for example, making the application for an HPMV route permit faster and more customer-friendly, significantly increasing the percentage of our customers choosing to engage with us online.



This year we saw a reduction in fatalities on the rail corridor and occurrences of signals passed at danger (SPAD).

### How did we perform?

We achieved four of our seven performance targets for licensing and regulatory compliance. This included a significant lift in the percentage of transactions completed online due to an increase in the number of people booking their driver licensing tests online. Improved audit processes and risk-targeted compliance processes for WoF and CoF reduced the number of operational assurance activities delivered and the percentage of activities delivered to agreed standards and timeframes. The new processes were embedded in quarter three and achieved positive results in quarter four, indicating a good foundation has been set for 2015/16.

Although we did not meet our customer satisfaction target, enhancements to and increased take-up of online services, along with other business process improvements, resulted in an increase in satisfaction from 64% in 2013/14 to 69% this year. The lift represents a good step towards our ambitious target of >73%.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Unit transaction costs <sup>(8)</sup>	\$10.14	\$10 - \$12	-	\$7.73
% of transactions completed online <sup>(9)</sup>	27%	>17%	+10%	18%
% accuracy of the registers <sup>(10)</sup>	94%	>93%	+1%	95%
% of operational activities completed <sup>(11)</sup>	88%	100%	-12%	100%
% of activities that are delivered to agreed standards and timeframes <sup>(12)</sup>	89%	>90%	-1%	95%
Number of products/services delivered or processed <sup>(13)</sup>	6.4m	6.1m - 6.5m	-	7.65m
% customer satisfaction <sup>(14)</sup>	69%	>73%	-4%	64%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

The licensing and regulatory compliance output class recorded a net surplus of \$3m at year end.

Income was \$8.5m above budget, due mainly to driver licensing and testing volumes being 22% higher than forecast. Higher border inspection volumes and interest revenue also contributed. Combined, these created \$10.2m of additional income, which was offset by \$1.7m less income than forecast in the certification and standard development service areas. Certification fee income was \$773k less than forecast due to the delayed introduction of changes to certification fees. Standards development fee income, which is collected via the motor vehicle licence ('rego') was \$900k less than forecast due to customers changing behaviour and purchasing shorter duration vehicle licences to take advantage of reductions to the ACC vehicle risk levy effective 1 July 2015. (This latter impact is temporary and revenue is forecast to be higher in 2015/16 as a consequence.)

Expenditure was \$5.6m above budget. This reflects the higher driver licensing and testing volumes and the cost associated with the transition to a new supplier of practical driver testing services and the associated improved service levels.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	87,214	78,732	8,482	82,754
Expenditure	84,194	78,638	(5,556)	79,694
Net surplus (deficit)	3,020	94	2,926	3,060

\* For full output class income and expenditure, see pages 143 - 152.

## OUTPUT CLASS ROAD TOLLING

Delivered by the Transport Agency and funded from fees and charges

### What do we do?

The scope of this output class is collection of road tolling charges and enforcement activities to recover unpaid road tolls. Under this output class, we:

- › manage the tolling road-side and back-office systems, customer interfaces and payment channels
- › collect toll revenues and make disbursements to the Crown
- › provide information and advice to the public.

### How does this contribute to our long-term goals?

Road tolling supports our long-term goal to shape smart transport choices. The tolls we collect allow us to fund investments that improve the land transport network.

### What were our key achievements?

Our key achievements were:

- › increasing compliance by growing the number of customers that use toll accounts to pay their tolls – 64.89% of chargeable trips were assigned to toll road accounts in the last financial year, a 0.91% increase from the last financial year (63.98%)
- › installing toll infrastructure and improved toll collection systems in readiness for two new toll routes (Tauranga Eastern Link and Route K) to go live on 3 August 2015. This work included removing the need for toll booths to improve traffic flow on toll roads and providing more payment options to make paying tolls easier.



**Toll infrastructure installed on Tauranga Eastern Link and Route K removed the need for toll booths, improving traffic flow.**

### How did we perform?

We met or exceeded our four performance targets for service delivery. The per unit transaction cost was lower than forecast due to some system upgrade costs being deferred to 2015/16 and process efficiencies enabling higher toll volumes to be managed without incurring additional personnel costs.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Unit transaction costs <sup>(15)</sup>	\$0.58	\$0.58 - \$0.75	-	\$0.61
% of transactions completed online <sup>(16)</sup>	94%	>94%*	-	61%
% revenue compliance	97%	>96%	+1%	97%
Number of products/services delivered or processed	6.7m	6.0m - 6.5m	+0.2m	6.3m

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

\* Targets increased in 2014/15 because we changed the way we calculate the measure. In 2014/15 we added electronic account holders to the result, whereas in the past we had only counted internet transactions.

### Financial results

More toll road users paid their tolls on time in 2014/15, which meant fewer toll payment notices were issued and fewer penalty related administration fees were paid by road users. This meant total income was 6% less than forecast despite the higher volume of toll services delivered.

Tolling expenditure was 10% below budget because planned upgrades to the tolling revenue system were deferred while work was undertaken to support the opening of the new toll roads on 1 August 2015. This deferred expenditure is now planned for 2015/16.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	6,332	6,694	(362)	6,056
Expenditure	5,541	6,123	582	5,481
Net surplus (deficit)	791	571	220	575

\* For full output class income and expenditure, see pages 143 - 152.

## OUTPUT CLASS

### MOTOR VEHICLE REGISTRY

Delivered by the Transport Agency and funded from fees and charges

#### What do we do?

The scope of this output class is registration and licensing of motor vehicles, the collection and refund of motor vehicle registration and licensing revenue, and the operation of the motor vehicle register. Under this output class, we:

- › maintain the motor vehicle register
- › deliver motor vehicle registration and licensing services
- › collect and refunds registration and licensing fees, which are paid to the NLTF
- › provide information and advice to the public.

#### How does this contribute to our long-term goals?

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

#### What were our key achievements?

Our key achievements were:

- › making the online motor vehicle licensing ('rego') process more user-friendly for our customers by completing a significant upgrade to our website and improving our licensing reminders and invoices
- › with ACC, preparing to implement the reduced and risk-rated ACC levy, which is collected via the motor vehicle licence. This included successfully informing customers about the upcoming change and maintaining a high level of customer satisfaction as customers enquired about their specific situation.



This year a significant upgrade to our website made the online motor vehicle licensing ('rego') process more user-friendly for our customers.

### How did we perform?

We achieved or exceeded five of our six performance targets for motor vehicle registry.

We delivered more products/services than planned due to 14% higher than forecast new vehicle registrations and 2.6% higher than forecast motor vehicle licences.

We narrowly missed out on achieving our customer satisfaction target of >95%, instead maintaining our result of 94%. This was considered a good result given the increased volumes we managed. We continued to actively monitor customer satisfaction levels, and adopted a continuous improvement approach to customer complaints and feedback.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Unit transaction costs	\$5.62	\$5.50 - \$5.80	-	\$5.50
% of transactions completed online <sup>(17)</sup>	35%	>30%	-	31%
% accuracy of the registers <sup>(18)</sup>	96%	≥95%	+1%	95%
% revenue compliance	99%	≥98%	+1%	99%
Number of products/services delivered or processed <sup>(21)</sup>	10.3m	9.1m - 10m	+0.3m	9.5m
% customer satisfaction <sup>(19)</sup>	94%	>95%	-1%	94%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

Overall income was \$4.7m over budget. The majority of this variance stemmed from motor vehicle licensing ('rego') income, which was \$3.2m above expectations. Approximately half of this variance can be attributed to motor vehicle licensing volumes being 2.6% above planned. The remaining variance occurred over the last quarter of the year, when a significant number of customers chose to licence their vehicle for a period of less than three months. This behaviour was driven by changes to the ACC vehicle levy, which came into effect from 1 July 2015. Customers opted to purchase shorter licences to take advantage of the lower levies effective 1 July 2015, leading to a surge in volume that can be seen in the higher than planned revenue.

The remaining \$1.4m positive revenue variance was the result of record numbers of new vehicles entering New Zealand in 2014/15. New vehicle registration volumes exceeded forecast by 14%.

Despite this increased activity across the output class, expenditure remained within 5% of budget, with variances largely stemming from increased commissions and transaction costs due to increased volumes.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	59,524	54,871	4,653	56,779
Expenditure	58,611	56,152	(2,459)	54,033
Net surplus (deficit)	913	(1,281)	2,194	2,747

\* For full output class income and expenditure, see pages 143 - 152.



## OUTPUT CLASS

### ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT

Delivered by the Transport Agency and funded from NLTF, fees and charges and the Crown

#### What do we do?

The scope of this output class is collection and refund of road user charges (RUC), and the investigation and enforcement of evasion of RUC. Under this output class, we:

- › collect and refund RUC, which is paid to the NLTF
- › investigate evasion of RUC and enforce payment
- › provide information and advice to the public.

#### How does this contribute to our long-term goals?

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

#### What were our key achievements?

Our key achievements were:

- › increasing the number of customers who purchase their RUC online, which reduces compliance costs for customers and administration costs for the Transport Agency
- › improving the quality of our data and our monitoring processes, which allowed us to target non-compliance relating to RUC overrun, use of an incorrect RUC band, and RUC evasion
- › joining up with the NZ Police to identify overweight diesel vehicles that should be paying more RUC, and invoicing owners for additional weight
- › increasing revenue compliance and improving vehicle owners' understanding of regulatory requirements by conducting field assessments to check vehicle weights and educate owners.



**This year we increased the number of customers who purchase their RUC online from 50% to 53%, which reduces costs and improves customer experience.**

### How did we perform?

We achieved or exceeded our three performance targets for RUC collection, investigation, and enforcement, delivering a higher than planned number of services at a lower than forecast per unit cost.

Higher than forecast volumes were most likely a response to improved economic conditions, which have led to an increase in travel demand in some areas.

The per unit transaction cost was lower than anticipated at \$5.58 transaction due to an increase in the number of RUC customers using the less expensive online channel to purchase RUC, which reduces costs to both the customer and the Transport Agency, and due to the efficiencies achieved with higher volumes.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Unit transaction costs	\$5.58	\$5.80 - \$6.40	\$0.22	\$6.50
% of transactions completed online <sup>(20)</sup>	53%	>52%	+1%	50%
Number of products/services delivered or processed <sup>(21)</sup>	2.8m	2.5m - 2.7m	+0.1m	2.5m

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

Income and expenditure for this output class fell within 5% of budget. RUC licensing volumes<sup>^</sup> averaged at 4% over planned levels for the year and this is reflected in the result.

The collections element of the output class moved from being funded by appropriation to being fully funded by third-party fees from 1 November. Investigations, enforcement and refund activity continue to be funded via appropriation. The transition of the RUC collections output to a memorandum account allows the Transport Agency to self-manage its future funding for this output; with an expectation that over time the administration fees collected will be sufficient to cover the ongoing administration and development of this function.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	16,597	15,973	624	19,935
Expenditure	15,737	15,459	(278)	17,051
Net surplus (deficit)	860	514	346	2,884

\* For full output class income and expenditure, see pages 143 - 152.

<sup>^</sup> RUC licensing volumes represent 2.5m out of the total 2.8m highlighted under the service delivery measure. It is these that have a direct relationship to revenue generation; the costs of maintenance and issue of assessment are covered by our fixed appropriation.

OUTPUT CLASS  
REFUND OF FUEL  
EXCISE DUTY

Delivered by the Transport Agency and funded from the NLTF

### What do we do?

The scope of this output class is receipt and processing of applications for and the refunding of fuel excise duty. Under this output class, we record, refund and account for fuel excise duty refund applications.

### How does this contribute to our long-term goals?

Refund of excise duty is performed on behalf of the Ministry of Transport as an adjunct to the collection of fuel excise duty, as provided for under the Land Transport Management Act 2003. This output makes no direct contribution to our desired goals.

### What were our key achievements?

Our key achievements were:

- › processing 56,336 claims while reducing the average time taken to approve a claim from 13 days in 2013/14 to five days. These claims total \$51m worth of duty returned to New Zealanders
- › managing the higher than expected number of claims that are a result of new and existing agents filing fuel excise refund claims on behalf of clients. This has also raised awareness of the refund process and resulted in an increase in refunds directly from claimants
- › continuing to develop an online application system for filing claims. This is currently being tested and will help to manage the volume of claims more efficiently dependant on uptake.



This year we processed 56,336 claims while reducing the average time to approve a claim from 13 days to five days.

### How did we perform?

We achieved our two targets for refund of fuel excise duty.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Average number of days taken to deliver <sup>(22)</sup>	5.33	10	+5	13
Number of products/services delivered or processed <sup>(23)</sup>	56k	29k - 33k	+23k	38,598

KEY Value for money Service quality Customer satisfaction

<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

This output is funded by appropriation from the Crown (Vote Transport). The income from the appropriation was increased this year to cater for the increased claim volume, which was 45% greater than last year. Expenditure was higher than budget due to the employment of temporary staff required to process the increased claim volume.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	564	399	165	429
Expenditure	553	399	(154)	505
Net surplus (deficit)	11	0	11	(76)

\* For full output class income and expenditure, see pages 143 - 152.

# MANAGING THE STATE HIGHWAY NETWORK

## OUTPUT CLASS

### NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS

Delivered by the Transport Agency and funded from the NLTF and the Crown

#### What do we do?

The scope of this output class is capital works for new infrastructure for state highways, as authorised by section 9 (3) and (4) of the Land Transport Management Act 2003.

The appropriation for the Buckle Street undergrounding project is limited to that part of State Highway 1 necessary for the establishment of the National War Memorial Park in Wellington.

The appropriation for the Napier to Gisborne passing lanes is limited to the investigation, design and implementation of passing opportunities on State Highway 2 between the two cities.

Under this output class, we manage and invest in state highway network infrastructure to reduce the number and severity of crashes and improve travel time and reliability between destinations connected by the network. We do this in a socially and environmentally responsible way.

#### How does this contribute to our long-term goals?

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

#### What were our key achievements?

This year's programme was the largest ever State Highway Improvements Programme we have delivered – with a budget about 20% larger than the 2013/14 programme.

Five of the six roads of national significance are tracking on or ahead of programme. Key achievements included completing the Memorial Park and Arras Tunnel project on time for the ANZAC centenary celebrations, and 100km of pavement on the Tauranga Eastern Link (officially opened in August 2015). Work has begun on a number of significant projects on the Christchurch Motorways and Waikato Expressway, and we began construction on Transmission Gully.

Four of the five projects that make up the Auckland Accelerated Transport Programme are on, or ahead of, schedule, and thirteen of the fourteen projects contained within the Regional Accelerated Transport programme are on schedule.

We have delivered 4,500km of full high productivity motor vehicle (HPMV) routes on state highways and connecting local roads.

Customer satisfaction exceeded target by 22% resulting from continued development of our stakeholder relationship capability and expanding the network of organisations for which we have a dedicated relationship manager. We have also taken on board industry feedback and redesigned our industry liaison programme to provide a stronger sense of connection for all supplier groups.



**This year's programme was the largest ever State Highway Improvements Programme we have delivered – with a budget about 20% larger than the 2013/14 programme.**

### How did we perform?

We achieved three of our four targets for new and improved infrastructure for state highways.

We did not achieve our service delivery target for the State Highway Improvements Programme, in part due to the Basin Reserve Board of Inquiry declining resource consent, which prevented a number of significant milestones from being delivered, and because property purchases were lower than targeted due to a number of large complex purchases where negotiations became protracted. These have been reforecast to settle in 2015/16.

### Investment performance

We achieved our two targets for investment in new and improved infrastructure for state highways.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
% of activities that are delivered to agreed standards and timeframes <sup>(24)</sup>	84%	>90%	-6%	92%
% of activities that are delivered to agreed standards and timeframes – National War Memorial Park – Buckle Street undergrounding project <sup>(24)</sup>	100%	100%	-	100%
% of activities that are delivered to agreed standards and timeframes – Construction of passing opportunities on State Highway 2 between Napier and Gisborne <sup>(24)</sup>	100%	100%	-	100%
% customer satisfaction <sup>(25)</sup>	77%	>55%	+22%	72%
INVESTMENT PERFORMANCE	FORECAST			
Length of road reconstruction and new road completed (lane km)	108km*	80km – 100km	+8km	106km
Length of bridge replacements (lane km)	1km	1km – 2km	-	2.5km

<b>KEY</b>	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 – 140.

\* This includes 100km of pavement completed as part of the Tauranga Eastern Link by 30 June, although the road was not officially opened until August 2015.

### Financial results

Final revenue and expenditure on new and improved infrastructure of state highways exceeded budget by \$63.1m and \$71.2m respectively. This is because the financials captured activities undertaken where costs were recovered from third parties.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	1,463,774	1,400,671	63,103	1,261,992
Expenditure	1,460,738	1,393,500	(67,238)	1,258,659
Net surplus (deficit)	3,036	7,171	(4,135)	3,333

\* For full output class income and expenditure, see pages 143 – 152.

## OUTPUT CLASS

### RENEWAL OF STATE HIGHWAYS

Delivered by the Transport Agency and funded from the NLTF

#### What do we do?

The scope of this output class is renewal work on the state highway network, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. We manage and invest in renewals of existing state highway network infrastructure to maintain standards of skid resistance and rutting, and to intervene at the optimal time to reduce exposure to future maintenance costs arising from wear and tear on our roads.

#### How does this contribute to our long-term goals?

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

#### What were our key achievements?

Our key achievements were delivering 591km of pavement renewals, including chip sealing and pavement rehabilitation, and 81km of pavement rehabilitation renewal through pavement strengthening work. This was achieved in line with our more rigorous approach to asset renewals as stated in the 2012-15 State Highway Asset Management Plan (SHAMP).



This year we delivered 591km of pavement renewals and 81km of pavement rehabilitation renewal through pavement strengthening work.

**How did we perform?**

We achieved our three targets for renewal of state highways.

**Investment performance**

We achieved two of our five forecasts for investment in renewal of state highways.

Cost of renewals missed forecast as the expenditure includes a number of third-party transactions, which have been balanced out by revenue.

The percentage of sealed network resurfaced and the percentage of network rehabilitated were below forecast, however, these results are in line with our more rigorous approach to renewals. We continue to work our assets harder by renewing them later in their lifecycles. This approach continues to have the most impact on lower classification state highways to ensure that we are maintaining the network to the One Network Road Classification levels of service.

	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
<b>SERVICE DELIVERY<sup>o</sup></b>				
% of activities that are delivered to agreed standards and timeframes <sup>(26)</sup>	95%	>90%	+5%	87%
Safe stopping: % of travel on network above skid threshold <sup>(27)</sup>	98%	≥98%	-	98%
Network resilience: % of rutting >20mm over the state highway network <sup>(28)</sup>	1%	<2%	+1%	1%
<b>INVESTMENT PERFORMANCE FORECAST</b>				
Cost of renewals (excluding emergency reinstatement) per network lane km (total cost)	\$8,444	<\$8,000	-\$444	\$7,369
% of sealed network resurfaced (based on road length in lane km)	6.5%	10 - 12%	-3.5%	10%
% of network rehabilitated (based on road length in lane km)	0.8%	1 - 2%	-0.2%	1%
Pavement integrity of the sealed network	94%	≥94%	-	93%
Surface condition of the sealed network	98%	≥97%	+1%	98%

<b>KEY</b>	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

**Financial results**

The underspend reflects savings made in the renewals programme as a result of continuing to take a more rigorous approach to asset renewals.

**How is the money spent?\***

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	191,781	213,853	(22,072)	168,593
Expenditure	191,781	213,853	22,072	168,593
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure, see pages 143 - 152.



## OUTPUT CLASS

### MAINTENANCE AND OPERATION OF STATE HIGHWAYS

Delivered by the Transport Agency and funded from the NLTF

#### What do we do?

The scope of this output class is activities that manage, maintain and operate state highway infrastructure, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Under this output class we:

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

#### How does this contribute to our long-term goals?

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

#### What were our key achievements?

Through the Traffic Operations Centres (TOCs) in Auckland, Wellington and Christchurch with our partners we continue to monitor the transport flows, manage incidents and provide real time information about traffic and road conditions to our customers to provide better travel experiences and improve the reliability of the transport network.

The roll-out of the Network Outcome Contracts (NOCs) has continued in 2014/15. Six contracts were formally tendered and awarded in 2014/15 (11 contracts have been awarded to date) and the delivery of the NOC programme has been largely on time.

Early indications are that the NOCs are performing well, in particular the collaboration with subcontractors. There does not appear to be overinvestment in the network management areas and there looks to be no outstanding faults or issues or any undue complaints.

We increased overall customer satisfaction this year, particularly with the provision of travel information during journeys. We continue to focus on our customers' experience and providing quality travel information to enable customers to make informed choices about their journeys.

Cost savings on maintenance and renewals activities exceeded the \$160 million targeted for the last three years.



**We increased overall customer satisfaction this year, particularly with the provision of travel information that allows customers to make informed choices about their journeys.**

**How did we perform?**

We achieved four of our five targets for maintenance and operation of state highways.

We did not reach our target for availability of the state highway network due to the effect of major weather events (mainly in the lower North Island, and Southland) and crashes (mainly on the urban network). Of the 512 recorded unplanned events on the network, 79% were reopened within standard timeframes. For several years we have seen extreme weather events impact on the availability of the state highway network. We will be looking to understand this further through the resilience work programmed in the 2015-18 NLTP.

**Investment performance**

We achieved two of our three forecasts for investment in maintenance and operation of state highways.

The cost of maintaining and operating the network was higher than forecast because we undertook more maintenance activity and less renewal activity to extend the life of assets. This result is consistent with our approach to asset maintenance and renewal outlined in the SHAMP.

	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
<b>SERVICE DELIVERY<sup>o</sup></b>				
% of activities that are delivered to agreed standards and timeframes <sup>(29)</sup>	90%	>90%	-	103%
Safe stopping: % of network meeting surface texture standards <sup>(30)</sup>	99%	≥97%	+2%	99%
Smooth ride: % of travel on network classed as smooth <sup>(31)</sup>	98%	≥97%	+1%	99%
Availability of state highway network: % of unplanned road closures resolved within 12 hours <sup>(32)</sup>	79%	90%	-11%	85%
% customer satisfaction <sup>(33)</sup>	52%	>45%	+7%	48%
<b>INVESTMENT PERFORMANCE FORECAST</b>				
Cost of emergency reinstatement	\$36.4m	\$50m - \$55m	\$13.6m	\$60m
Cost of maintaining and operating the network excluding emergency reinstatement (\$ per lane km)	\$14,346	<\$13,000	(\$1,346)	\$13,707
Smooth ride - % of travel on smooth roads	98%	≥97%	+1%	99%
<b>KEY</b>	Value for money	Service quality	Customer satisfaction	

<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

**How is the money spent?\***

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	363,091	364,804	(1,713)	373,170
Expenditure	363,284	363,471	187	372,786
Net surplus (deficit)	(193)	1,333	(1,526)	384

\* For full output class income and expenditure, see pages 143 - 152.

# INVESTING IN LAND TRANSPORT

## OUTPUT CLASS PUBLIC TRANSPORT

Invested in by the Transport Agency, delivered by local authorities and funded from the NLTF

### What do we do?

The scope of this output class is renewal and improvement of infrastructure to support public transport and non-commercial public transport services, authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.

Under this output class, the Transport Agency and approved organisations (in conjunction with third parties and operators where appropriate), invest in bus, ferry and rail public transport services, technology, facilities and infrastructure to achieve increased patronage with reduced reliance on subsidy. This includes investment in subsidised door-to-door transport for people with mobility impairments.

Rail infrastructure is generally excluded from this activity class as the intention is to fund this outside the NLTF.

### How does this contribute to our long-term goals?

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

### What were our key achievements?

We enabled local authorities to progress with Public Transport Operating Model (PTOM) contracts. Four regions, Taranaki, Gisborne, Bay of Plenty and Otago, have awarded new PTOM contracts. Wellington is currently evaluating the tender for Wellington metro rail services, and Auckland is preparing to release new PTOM contracts for bus services. Auckland's patronage has increased by 10% during the year. Much of the growth in Auckland across the previous three-year period has been in the last year alone (10% of the 12% in total growth achieved). The recent introduction of both the HOP electronic smart card and new electrified trains, among other recent initiatives, appears to be making a difference to further stimulate patronage growth across the Auckland network.

In Auckland we have invested in the following public transport infrastructure projects which will contribute to future patronage increases and relieving Auckland's network congestion:

- › Manukau Transport interchange – the upgrade of the rail and station network is intended to increase public transport patronage and ease congestion.
- › Panmure Interchange – this is an essential component of the multi-modal Auckland-Manukau Eastern Transport Initiative (AMETI) project, designed to increase accessibility to south eastern Auckland.
- › Swanson station upgrade and park and ride – this upgrade completes the rail station upgrades on the western line designed to increase public transport patronage and ease congestion.

We invested \$16 million in the recently completed Christchurch bus exchange, which will assist patronage growth and is a key transformational project that will help to reinvigorate the city centre.



Supported by initiatives such as the HOP card and new electrified trains, Auckland's patronage has increased by 10% during the year.

### How did we perform?

We achieved two of our three forecasts for public transport. Although passenger boardings on public transport did not reach our aspirational target, boardings across the country have increased by 5% since 2013/14. Growth was primarily driven by our two main urban centres with an impressive increase in Auckland (10%) and sustained growth in Wellington (2%). Rail patronage in Auckland alone increased by 22%. Growth in Auckland’s overall patronage – measured by the recently introduced and more accurate HOP data – is lower than would have been predicted using the previous operator-reported manual count system. Christchurch’s network return for 2014/15 was flat, as expected, prior to the introduction of the new exchange and a greater uptake of travel back to the city centre. Some smaller regions experienced slight decreases in public transport boardings across their networks.

INVESTMENT PERFORMANCE <sup>o</sup>	ACTUAL 2014/15	FORECAST 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Number of passengers using urban public transport services (bus, train and ferry)	144.2m	147m - 154m	-2.8m	138m
Public transport boardings per NLTF \$1,000 invested on public transport services (including track access charges)	532	450 - 550	-	535
Fare revenue as a % of total expenditure	48%	>47%	+1%	46%

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

<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

Actual expenditure across public transport ended the year at 6% (\$20.5m) under budget. Slower than planned delivery of infrastructure projects in Auckland, efficiencies in the services programme, and the impact of lower fuel costs on service delivery all played a part in the lower expenditure. The total spend for the 2012-15 NLTP is \$864.7m. This is \$80.2m under our target spend for the three years of \$945m. The final actual spend for the three years to June 2015 is within the GPS funding range for 2012-15.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	298,934	319,391	(20,457)	272,266
Expenditure	304,937	319,391	14,454	272,266
Net surplus (deficit)	(6,003)	0	(6,003)	0

\* For full output class income and expenditure, see pages 143 - 152.

#### OUTPUT CLASS

### ADMINISTRATION OF THE SUPERGOLD CARDHOLDERS' SCHEME

#### OUTPUT CLASS

### ENHANCED PUBLIC TRANSPORT CONCESSIONS FOR SUPERGOLD CARDHOLDERS

Delivered by the Transport Agency and local authorities and funded from the Crown

#### What do we do?

The scope of these output classes is administration of the scheme to provide enhanced public transport concessions for SuperGold cardholders and providing enhanced public transport concessions for SuperGold cardholders.

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

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

#### How does this contribute to our long-term goals?

The SuperGold card concessionary fares scheme contributes to our long-term goal of maximising returns for New Zealand by providing more transport mode choice for the elderly and improving the use of public transport capacity during off-peak hours.

#### What were our key achievements?

The key achievements in our work on the SuperGold card scheme were:

- › supporting 12.6 million SuperGold card trips during the year, an increase of 6% from the 11.9 million trips in 2013/14
- › supporting the Ministry of Transport's review of the SuperGold card policy, culminating in policy decisions from Cabinet to shift to a new bulk funding methodology, to be developed during 2015/16.



**SuperGold card trips increased 6% from the 11.9 million trips in 2013/14.**

### How did we perform?

We achieved our two targets for administration of the SuperGold card scheme and enhanced public transport concessions for SuperGold cardholders.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Average number of days taken to deliver (working days taken to process claims received from regional councils)	18	20	+2	18
% of activities that are delivered to agreed standards and timeframes <sup>(34)</sup>	100%	100%	-	100%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

Administration of the SuperGold card scheme and enhanced public transport concessions for SuperGold cardholders ended the year slightly over budget (\$424k). The main drivers are the continued growth in Auckland, the increase in fares coming in the final two months of this year for Auckland, and some minor overspends for other regions.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	26,211	26,000	211	24,000
Expenditure	26,424	26,000	(424)	24,205
Net surplus (deficit)	(213)	0	(213)	(205)

\* For full output class income and expenditure, see pages 143 - 152.

## OUTPUT CLASS

### ROAD SAFETY PROMOTION

Delivered by the Transport Agency and local authorities and funded from the NLTF

#### What do we do?

The scope of this output class is to promote safe and economic use of land transport networks and services, pursuant to section 9 of the Land Transport Management Act 2003. Under this output class, we manage and invest in activities that contribute to the safe, efficient and effective use of land transport networks and services, including road user advertising, education and information initiatives that contribute to the high and medium priority areas of the Safer Journeys strategy.

#### How does this contribute to our long-term goals?

Road safety promotion's primary contribution to our long-term goals of shaping smart transport choices and maximising returns for New Zealand is through the reduction in deaths and serious injuries from road crashes by influencing the behaviour of drivers and other road users.

#### What were our key achievements?

Road safety promotion continues to play an important role in our Safer Journeys strategy 2010–2020. Over the last year we had a number of successful campaigns.

The Mistakes advertising campaign, which uses a Safe System approach to encourage people to slow down, has been seen as groundbreaking by road safety organisations around the world, many seeking permission to use it in their own country. It has gained high accolades for its approach, and has won many highly acclaimed advertising awards both nationally and internationally throughout the year.

The Substance Impaired Driving Project aims to contribute to a decrease in the impact of substance impaired driving on New Zealand roads. Effective collaboration with pharmacists and general practitioners has led to the development and successful pilot of education resources for drivers and health professionals. These resources will help drivers make responsible choices relating to driving and the use of prescription medications that may impair.

Pathways Awarua is an innovative approach that helps more adults to understand the NZ Road Code, to prepare for driver licensing. It has been developed in partnership with the Tertiary Education Commission by literacy and numeracy experts, is free, and is being used by a wide range of individuals and groups privately and within tertiary settings.

Our investment in local authorities continues to address local safety issues and increase alignment to the Safer Journeys priorities.



**The Mistakes campaign, which uses a Safe System approach to encourage people to slow down, has been seen as groundbreaking by road safety organisations around the world.**

### How did we perform?

We achieved our two targets for road safety promotion.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
% of activities that are delivered to agreed standards and timeframes <sup>(35)</sup>	100%	100%	-	100%
% of road safety advertising campaigns that meet or exceed their agreed success criteria <sup>(36)</sup>	75%	≥75%	-	New measure

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

Expenditure on road safety promotion in 2014/15 was under budget by \$3.4m. This gives a total spend over the 2012-15 NLTP of \$92m. The initial target spend for the three years was \$97m, which was revised at the end of year two (2013/14) to \$91m, recognising underspends across the programme. The final actual spend is consistent with the revised expected spend and is within the GPS funding range for 2012-15.

The \$3.4m underspend for 2014/15 can be attributed to \$1.2m in the national drug and alcohol advertising and \$1.2m in the national young driver advertising as a result of delayed production, and \$1.4m in the local road safety promotion programmes. This underspend can be attributed to the historical behaviour by local authorities to run the budget slightly under the allocation to ensure the programme is not overspent. This behaviour stems from limited local funding availability for such user behaviour programmes.

The underspend in the national advertising budget is slightly offset by a \$400k overspend on the national tactical advertising budget, which was used for the Drive Social campaign, supporting the high priority areas of speed and drugs.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	34,132	34,810	(678)	32,829
Expenditure	32,972	36,397	3,425	32,445
Net surplus (deficit)	1,160	(1,587)	2,747	384

\* For full output class income and expenditure, see pages 143 - 152.



## OUTPUT CLASS

### NEW AND IMPROVED INFRASTRUCTURE FOR LOCAL ROADS

Invested in by the Transport Agency, delivered by local authorities and funded from the NLTF

#### What do we do?

The scope of this output class is management and delivery of improvement of local roads, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Under this output class we invest, in conjunction with approved organisations, in local road improvements including new roads, seal extensions, new traffic management facilities and replacing bridges and other structures.

#### How does this contribute to our long-term goals?

New and improved infrastructure for local roads primarily contributes to our long-term goal of maximising returns for New Zealand. It achieves this by improving the efficiency of freight supply chains, increasing the resilience and security of the local road network, easing severe congestion, and consequently reducing deaths and serious injuries from road crashes.

#### What were our key achievements?

This year's activity has been concentrated in Auckland, Tauranga and Christchurch. Significant projects include the following:

- › Albany Highway North Upgrade - widening 4km of Albany Highway between Schnapper Rock Road and SH17, providing for T3 lanes, on and off-road cycle lanes, new wide footpaths, flush and raised medians, and undergrounding of overhead services.
- › Auckland Manukau Eastern Transport Initiative (AMETI) - planning requirements and property. The AMETI package 1 covers an area extending from Glen Innes in the north to Mt Wellington Highway in the south. The project is to be constructed in three phases between 2011 and 2018. The main components of package 1 are:
  - constructing a new road linking Mt Wellington Highway and Merton Road to remove some traffic from the town centre and to serve proposed developments to the north of Panmure
  - realigning Mountain Road to meet Jellicoe Road at Pleasant View Road, which will assist the future development of a transit oriented development centred on Panmure Rail Station
  - upgrading the existing Panmure Rail Station by providing a cover over the new link road adjacent to Panmure Rail Station, between Ellerslie-Panmure Highway and Mountain Road, to prevent the new link road from being a barrier to movement between the station and proposed developments to the west.
- › Te Atatu Road Corridor Improvements - from Edmonton Road to SH16 interchange (1.9km) to provide a central flush median along the length of Te Atatu Road, replace the existing roundabout at the Edmonton Road/Flanshaw Road intersection with traffic signals, and create cycling and pedestrian facilities.
- › The transfer of Route K from Tauranga City Council to the Transport Agency - the Transport Agency and the council agreed to this toll road, which provides access to the port of Tauranga, becoming part of the state highway network.
- › Tauranga Eastern Link - Mangatawa Interchange is part of a RoNS (TEL project) and provides direct access to the Papamoa area.
- › Christchurch - the Accessible City plan is part of the recovery plan for Christchurch.

For more information on regional investment highlights see pages 225 to 253 of the National Land Transport Fund annual report.



This year has been concentrated on projects in Auckland, Tauranga and Christchurch, such as the Auckland Manukau Eastern Transport Initiative, the Tauranga Eastern Link and Christchurch's Accessible City.

### How did we perform?

We did not achieve our two investment performance forecasts for new and improved infrastructure for local roads. Construction activity on local roads has slowed in all but a few areas as local authorities seek to limit their demands on ratepayers or divert funding to other priorities, eg three waters infrastructure replacement. In recent years there has been limited growth in traffic demand on local roads except for a few areas of greater economic activity – in Auckland, Tauranga and Christchurch. New roads continue to be built, as subdivision roads are paid for by developers and vested in local authorities.

Bridge replacement activity is at a low level as most bridges have already been replaced in permanent materials. While some timber bridges remain, very few are weight or speed restricted and do not yet require replacement.

We are monitoring the impact of heavier trucks (high productivity motor vehicles) on the bridge structure, corrosion on steel components and the vulnerability of bridges to erosion and scour.

INVESTMENT PERFORMANCE <sup>o</sup>	ACTUAL 2014/15	FORECAST 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Length of road reconstruction and new road completed (lane km)	48km	120km – 200km	-72km	69km
Length of bridge replacements (lane km)	0.3km	1km – 1.5km	-0.7km	0.3km

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 – 140.

### Financial results

Expenditure is over budget by 12% (\$20.5m). The Route K settlement occurred in June (\$62m), which, along with Christchurch’s inner city improvements (\$9m), was the key driver for the variance against budget.

The total spend for the 2012-15 NLTP is \$465.1m. This is \$49.8m under our target spend for the three years of \$515m. The final actual spend for the three years to June 2015 is within the GPS funding range for 2012-15.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	187,509	167,000	20,509	125,043
Expenditure	187,509	167,000	(20,509)	125,043
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure, see pages 143 – 152.

OUTPUT CLASS  
RENEWAL OF  
LOCAL ROADS

Invested in by the Transport Agency, delivered by local authorities and funded from the NLTF

### What do we do?

The scope of this output class is management and delivery of renewals to the existing local road infrastructure, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. The reinstatement of local roads in Canterbury is limited to the reinstatements following the earthquakes as approved by the Transport Agency under relevant legislation.

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

### How does this contribute to our long-term goals?

Renewal of local road infrastructure primarily contributes to our long-term goal of maximising returns for New Zealand by maintaining the resilience and security of the whole road network, supporting efficient freight supply chains and easing severe congestion to ensure that the established condition of the local road network is sustained through an ongoing capital investment programme.

### What were our key achievements?

The key achievement in renewal of local roads is the continued investment in activities that sustain the condition of the network and maintain it at an adequate level of service - shown by the stable measures for the condition of local roads. It should be recognised that local authorities manage their own renewals programmes and there may be variations in road condition across them.



This year we continued to invest in activities like the One Network Road Classification that sustain the condition of the local road network and maintain it at adequate customer levels of service.

### How did we perform?

We achieved four of our six forecasts for renewal of local road infrastructure.

Variance against the forecast for cost of renewals per network lane km can be attributed to a combination of increased upfront investment (made to reduce renewal costs over the whole life of the asset), and above inflationary increases in the cost of labour, materials, plant and machinery.

The percentage of the network to be rehabilitated is less than forecast as local authorities are better targeting areas of work and extending the life of existing assets through maintenance, reducing the need for renewals.

INVESTMENT PERFORMANCE <sup>o</sup>	ACTUAL 2014/15	FORECAST 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Cost of renewals (excluding emergency reinstatement) per network lane km (total cost)	\$3,182 <sup>^</sup>	<\$2,800	-\$382	\$3,006
% of sealed network resurfaced (based on road length in lane km)	6.1%	6-8%	-	6%
% of network rehabilitated (based on road length in lane km)	0.6%	1-2%	-0.4%	1%
% of unsealed network metalled (based on road length in centreline km)	26.3%	20-35%	-	16%
Pavement integrity of the sealed network	94%	≥94%	-	94%
Surface condition of the sealed network	98%	≥97%	+1%	98%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

<sup>^</sup> Cost of renewal for local roads reflects the full cost of the activity including an average FAR rate of 50%.

### Financial results

Expenditure is 1% (\$3.4m) under budget due to the combination of a more rigorous approach to asset renewals and actual escalation rates being below budget rates (as a result of favourable macroeconomic conditions, for example a drop in oil prices).

The total spend for the 2012-15 NLTP is \$684.7m. This is \$53.2m under our target spend of \$738m for the three years. The final actual spend for the three years to June 2015 is within the GPS funding range for 2012-15.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	247,539	251,000	(3,461)	232,761
Expenditure	247,539	251,000	3,461	232,761
Net surplus (deficit)	0	0	0	0

\* For full output class income and expenditure, see pages 143 - 152.

## OUTPUT CLASS

### MAINTENANCE AND OPERATION OF LOCAL ROADS

Invested in by the Transport Agency, delivered by local authorities and funded from the NLTF and the Crown

#### What do we do?

The scope of this output class is management and operation of existing local road infrastructure, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Under this output class, the Transport Agency and approved organisations (in conjunction with third parties and operators where appropriate), invest in bus, ferry and rail public transport services, technology, facilities and infrastructure to achieve increased patronage with reduced reliance on subsidy. This includes investing in subsidised door-to-door transport for people with mobility impairments. Rail infrastructure is generally excluded from this activity as the intention is to fund this outside the NLTF.

#### How does this contribute to our long-term goals?

Maintenance of local road infrastructure contributes to our long-term goal of maximising returns for New Zealand. It helps to ensure that the impacts the established network has on the transport system are sustained. By ensuring that surface condition standards are maintained and traffic flow and incidences are effectively managed, sound management of maintenance activities and of the operation of the network have a broad impact. This includes better use of transport capacity, ensuring network resilience and security and freight supply chain efficiency, as well as reducing urban congestion and the risk of road crashes.

#### What were our key achievements?

Our key achievement for maintenance and operation of local roads was keeping costs per lane kilometre at a similar level to last year while maintaining the condition of the roads and responding appropriately to emergency conditions. The condition indicators can be seen on our website.<sup>8</sup> In addition, as a result of the work of the Road Maintenance Task Force, local authorities are implementing changes such as:

- › introduction of the One Network Road Classification is encouraging a greater focus on the levels of service
- › alternative approaches to procurement have been investigated and adopted. Following success in the Bay of Plenty and Marlborough an alliance between our own Highways and Network Operations Group and Gisborne District Council has been implemented
- › local authorities are increasing collaboration, for example the Waikato's Road Authority Technical Alliance. We are seeing increasing interest in local authorities inviting their peers to share their experiences and review treatments and programmes.

Local authorities are reviewing their performance data and revising their programmes. For example, Queenstown Lakes substantially reduced its rehabilitation programme and Central Otago has undertaken a comprehensive review of its roading needs, reducing its programme in some areas and improving minimum standards in others.



**This year the condition of local roads was maintained while keeping costs per lane kilometre at a similar level to last year.**

<sup>8</sup> [www.nzta.govt.nz/assets/userfiles/transport-data/RoadCondition.swf](http://www.nzta.govt.nz/assets/userfiles/transport-data/RoadCondition.swf)

### How did we perform?

During 2013/14, the Crown agreed to provide the Transport Agency with a loan of \$183.4m over 2013/14 to 2016/17 to top up the contribution from the National Land Transport Fund of \$50m per year for the reinstatement of Christchurch's roads following the earthquakes. Only \$3m of the \$100m loan facility budgeted in Vote Transport for 2014/15 was claimed. In part this is due to programming of roading works lagging the reinstatement of other horizontal infrastructure, eg, three waters. A better understanding of cost estimates has been developed and the requirement to top up the NLTF contribution has reduced against the original plan. About \$150m over the 2012-15 NLTP has been invested from the NLTF to reinstate Christchurch city's earthquake damaged transport network. Planned works are scheduled in 2015/16 and 2016/17, which we estimate at around \$200m, which will be funded from the NLTF (\$100m) and the loan facility for any balance.

### Investment performance

We achieved all three of our forecasts for maintenance and operation of local roads.

SERVICE DELIVERY <sup>o</sup>	ACTUAL 2014/15	TARGET 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
% of activities that are delivered to agreed standards and timeframes	3%	100%	-97%	75%
> reinstatement of earthquake damaged local roads in Canterbury - Loan*				

INVESTMENT PERFORMANCE	FORECAST			
Cost of maintaining and operating the network (excluding emergency reinstatement) per network lane km (total cost)	\$2,684**	<\$3,000	\$316	\$2,608
Cost of emergency reinstatement	\$85.5m	\$85m - \$90m	-	\$101m
Smooth ride - % of travel on smooth roads	86.3%	≥86%	-	86%

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

\* % of activities that are delivered to agreed standards and timeframes is measured by the proportion of the loan claimed over the financial year.

\*\* Cost of maintenance and operations for local roads reflects the full cost of the activity including an average FAR rate of 50%.

### Financial results

The maintenance allocation includes both routine maintenance and emergency works. The expenditure variance is due to a combination of a \$97m underspend due to drawing down only \$3m of the \$100m loan facility for repairs in Christchurch and a slight overspend (\$6m) in other districts' maintenance activities.

The total spend for the 2012-15 NLTP is \$860.9m. This is \$17m under our target spend of \$878m for the three years. The final actual spend for the three years to June 2015 is within the GPS funding range for 2012-15.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	291,161	385,000	(93,839)	333,418
Expenditure	294,298	385,000	90,702	332,969
Net surplus (deficit)	(3,137)	0	(3,137)	449

\* For full output class income and expenditure, see pages 143 - 152.

## OUTPUT CLASS

### WALKING AND CYCLING

Invested in by the Transport Agency, delivered by local authorities and funded from the NLTF and the Crown

#### What do we do?

The scope of this output class is new and improved walking and cycling infrastructure for transport purposes, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Under this output class, we invest in new and improved walking and cycling infrastructure for transport purposes and model community education and promotion activities. Walking and cycling facilities include cycle paths, cycle lanes, new footpaths, shelters, facilities for crossing roads and cycle parking facilities.

New walking and cycling facilities that are a component of a roading improvement project are funded as a part of investments to improve roading networks rather than through the walking and cycling activity class.

#### How does this contribute to our long-term goals?

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

#### What were our key achievements?

Investment in walking and cycling activities has increased significantly during 2014/15. Our key investment goal is to provide greater mode choice, which assists in easing congestion on the existing network and providing access for economic growth. In addition, investment in walking and cycling contributes to the liveability of our main cities. Our key achievements were:

- › initiating the first tranche of Urban Cycleways Fund (Crown funded) projects, which includes six projects in Auckland, three in Christchurch, and one each in Hamilton, Palmerston North, Wellington and Dunedin
- › commencing construction on eight new cycle paths in the Auckland region, including the six Urban Cycleways Fund projects. Some significant projects for which construction was initiated during 2014/15 in Auckland include Nelson St off-ramp, Glen Innes to Tamaki Drive, Airport to CBD Cycle Trail and Don Buck Road Cycleway, which were all able to be brought forward to 2014/15 with financial assistance from the Urban Cycleways Fund
- › continuing to invest in the walking and cycling model communities in New Plymouth and Hastings, including education and advertising as well as infrastructure.

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



This year we initiated the first tranche of Crown funded Urban Cycleways projects, which are in Auckland, Christchurch, Hamilton, Palmerston North, Wellington and Dunedin.

### How did we perform?

We did not achieve our investment performance forecast for walking and cycling. The forecast was based on a ratio of actual kilometres of new pedestrian and cycle facilities delivered to expenditure incurred during the 2009-12 NLTP. During the 2009-12 NLTP there were many long on-road cycle facilities and cycle lanes that were relatively low-cost. In contrast, projects funded during the 2012-15 NLTP were more often segregated cycleways, which require a greater level of investment for shorter lengths of facility, but are preferable as they move cycle traffic away from motor vehicles, minimising conflict points and giving users a greater perception of safety.

INVESTMENT PERFORMANCE <sup>o</sup>	ACTUAL 2014/15	FORECAST 2014/15	VARIANCE 2014/15	ACTUAL 2013/14
Kilometres of new footpaths, cycle lanes and cycle paths	43.5km	80km - 100km	-36.5km	33.1km

KEY	Value for money	Service quality	Customer satisfaction
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<sup>o</sup> For the technical details of each performance measure see pages 137 - 140.

### Financial results

In August 2014 the Government announced an additional \$100m of funding for an Urban Cycleways Programme to be implemented between 2014 and 2018. The aim of this additional funding is to make significant improvements in cycling infrastructure in the main urban areas. This announcement spurred councils and the Transport Agency's Highways and Network Operations Group into gear to increase funding for cycleways. In addition, the Transport Agency increased the available allocation for walking and cycling projects to allow for this acceleration. In 2014/15 this has resulted in an increased spend in the walking and cycling activity class.

The total spend for the 2012-15 NLTP is \$57.8m. This is \$4.8m over our target spend of \$53m for the three years. The final actual spend for the three years to June 2015 is within the GPS funding range for 2012-15.

### How is the money spent?\*

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	VARIANCE 2014/15 \$000	ACTUAL 2013/14 \$000
Income	36,141	18,000	18,141	18,197
Expenditure	33,738	18,000	(15,738)	18,197
Net surplus (deficit)	2,403	0	2,403	0

\* For full output class income and expenditure, see pages 143 - 152.



# APPENDIX 1: SUPPLEMENTARY INFORMATION FOR NON-FINANCIAL MEASURES

## TYPES OF PERFORMANCE MEASURE

We use three types of performance measure based on assessing value for money, service quality and customer satisfaction. Taken as a set, they provide a holistic picture of our service delivery and investment performance.

FUNCTION	TYPES OF MEASURES		
	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
<b>Planning the land transport network</b>	Total cost of managing the funding allocation system as a % of NLTP expenditure	% of activities delivered to agreed standards and timeframes % of operational assurance activities completed Average number of days taken to deliver	% customer satisfaction of approved organisations
<b>Providing access to and use of the land transport system</b>	Unit transaction costs: › driver licensing › motor vehicle registration › road user charges › road tolling % of transactions completed online: › driver licensing › motor vehicle registration › road user charges › road tolling	% of operational assurance activities completed % accuracy of registers Number of products/services delivered or processed % of activities delivered to agreed standards and timeframes % revenue compliance Average number of days taken to deliver	% customer satisfaction driver licensing motor vehicle registration
<b>Managing the state highway network</b>	% of activities delivered to agreed standards and timeframes: › new and improved infrastructure for state highways (National War Memorial Park Buckle Street undergrounding project and - construction of passing opportunities on State Highway 2 between Napier and Gisborne › renewal of state highways › maintenance and operation of state highways	Length of road construction and new roads completed (lane km) Length of bridge replacements (lane km) % of sealed network resurfaced (based on road length in lane km) % of network rehabilitated (based on road length in lane km) % of unsealed network metalled (based on road length in centreline km) Safe stopping: % of travel on network above skid threshold Network resilience: % of rutting >20mm over state highway network Smooth ride: % of travel on network classed as smooth Availability of state highway network: % of unplanned road closures resolved within 12 hours	% customer satisfaction of suppliers and public
<b>Investing in land transport</b>	% of activities delivered to agreed standards and timeframes: › renewal of local roads › maintenance and operation of local roads Public transport boardings per NLTF \$ invested on public transport services (including track access charges) Cost of renewals (excluding emergency reinstatement) per network lane km (total cost) Cost of maintaining and operating the network (excluding emergency work) per network lane km (total cost)	Fare revenue as a % of total expenditure Length of road construction and new roads completed (lane km) Length of bridge replacements (lane km) % of sealed network resurfaced (based on road length in lane km) % of network rehabilitated (based on road length in lane km) % of unsealed network metalled (based on road length in centreline km) Smooth ride - % of travel on smooth roads Kilometres of new footpaths, cycle lanes and cycle paths Number of passengers using urban public transport services (bus, train and ferry) Pavement integrity of the sealed network Surface condition of the sealed network Average number of days taken to deliver % of activities delivered to agreed standards and timeframes % of road user safety advertising campaigns that meet or exceed their agreed success criteria Cost of emergency reinstatement Road Policing Programme (refer to page 258)	

\*key operating assumptions

## TECHNICAL NOTES

This section explains and provides technical detail on our non-financial performance measures. This includes our progress indicators for our strategic goals and priorities and our measures of service delivery and investment performance. Throughout this document there has been a consistent approach to rounding of non-financial performance results to the nearest whole number or one decimal place, where relevant.

### PROGRESS ON LONG-TERM GOALS

#### Integrating one network for customers

**People movement is more efficient and reliable:** Network productivity of the Auckland urban network is estimated by taking the product of recorded speed and flow and expressing this as a percentage of optimal speed and flow for a specified network lane length. This indicator demonstrates how effectively current road network and operational management activities handle travel by vehicles. This indicator provides information to help deliver on our priority of making the most of urban network capacity.

**Freight movement is more efficient and reliable:** % of travel by high productivity motor vehicles (HPMVs) is estimated by taking the amount of travel undertaken by HPMVs and expressing it as a percentage of total kilometres travelled by heavy trucks. An increase in HPMV kilometres travelled can be expected to increase freight efficiency as fewer truck trips are undertaken but at higher loads. This increased efficiency will help deliver on our priority of moving more freight on fewer trucks and subsequently lift the transport sector's productivity.

**There is an optimal range of travel and transport choices for each location:** % mode share – public transport and walking and cycling is estimated by taking the number of journeys on public transport and/or by walking and cycling (calculated on a three year moving average basis), and expressing these as a percentage of total journeys across all modes.

#### Shaping smart transport choices

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

**Using roads safely:** The number of deaths and serious injuries in alcohol/drug related crashes. This indicator focuses on fatal and serious injuries resulting from crashes where alcohol/drugs have been key influencing factors.

**Using safer vehicles:** % of new vehicles with a five-star safety rating. A higher proportion of 5-star safety rated vehicles in the New Zealand vehicle fleet should have a positive impact on the number and severity of injuries caused by crashes.

**Making efficient use of vehicles:** Average petrol and diesel consumption (litres) per 100 vehicle kilometres travelled. This indicator reflects changes in the fuel efficiency of diesel and petrol vehicles within the New Zealand fleet.

**Delivering highway solutions for customers**

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

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

**Social and environmentally responsible highways:** % compliance with state highway consent conditions. This indicator reflects the desire to minimise social and environmental impacts through our activities on the state highway network by complying with resource consent conditions. The measure includes conditions relating to environmental permits in resource consents, designations, Department of Conservation concessions, Historic Places Trust authorities and building consents as recorded in Transport Agency's consent compliance management system.

#### Maximising returns for New Zealand

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

Efficient road maintenance investment is measured by the programmed savings in maintenance and operations activity in 2012–15 National Land Transport Programme (NLTP). This indicator reflects the need to pursue greater value for money in a constrained funding environment.

### PLANNING THE LAND TRANSPORT NETWORK

#### Management of the funding allocation system

1. The total cost of the management of the funding allocation system is the Transport Agency service delivery cost for this output less the cost of crash analysis system (CAS) business activity, which is not part of the management funding allocation system.
2. The % of operational assurance activities completed is an aggregate of three specific dimensions: lessons learned, audits and post-implementation review programmes. Operational assurance activities are assessed according to their effectiveness, economic efficiency and strategic fit (ie high, medium, low). Aggregation is based on the weighted volume of activity in the given year.
3. The % of activities that are delivered to agreed standards and timeframes is an aggregate of four specific measures to monitor the quality and efficiency of managing NLTP expenditure and forecast standards, including investment approval and decision activities. All components of the measure have targets of 100%. Aggregation to the overall result is based on weighted volume of activity across the components in the given year.
4. The average number of days taken to deliver is determined by how long it takes, on average, to process and approve funding of a new NLTP activity. Days to funding approval is defined as the number of working days between the date of receipt to the date the approval was recorded in the Transport Investment Online (TIO)

system.

- The % *customer satisfaction* demonstrates the percentage of approved organisations' stakeholders (regional, local and unitary authorities, Department of Conservation, Auckland Transport and the Waitangi National Trust) that were satisfied with the relationship between their organisation and the Transport Agency. This is measured through an independently conducted survey.

### Transport planning

- The % of activities that are delivered to agreed standards and timeframes includes transport planning, studies, strategies and models and activity management planning activities. These components are individually assessed against targets of >90%. The Transport Agency works collaboratively with its local authority partners as they

prepare strategies, plans and packages to help ensure that when they are formally received they are of high quality, meet the Transport Agency assessment criteria and are therefore suitable for support or endorsement by the Transport Agency. It provides an indication of how well the Transport Agency manages its transport planning activities to time and cost standards.

### Sector research

- The % of activities that are delivered to agreed standards and timeframes is a measure that compares planned time, cost and quality of research investment with actual performance. All aspects have targets of 100% and contribute equally to the overall result. It is a measure of the effectiveness of the Transport Agency as a programme manager.

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

### Licensing and regulatory compliance

- Unit transaction cost* measures the direct unit cost of delivering a driver licence/driver testing transaction service. The unit transaction cost range reflects the impact of including warrant of fitness (WoF) and certificate of fitness (CoF) volumes into the number of products and services delivered.
- The % of transactions completed online is the proportion of practical test bookings and rescheduled test bookings completed through the Transport Agency website divided by the total number of test bookings completed for motor vehicle and motorcycle licences.
- The % accuracy of registers is a measure of the data input accuracy of the driver licence register (DLR) based on monthly audit checks from a random sample of 100 callers and a selection of agents' work processed against what's written on the form and recorded in DLR. The measure reflects the average of the audit results.
- The % of operational assurance activities completed is an aggregate of three specific operational assurance activities (eg audits) of driver testing agents, transport operators, and certifying agents completed against planned. Aggregation is based on the weighted volume of activity in the given year.
- The % of activities that are delivered to agreed standards and timeframes is an aggregate of six specific dimensions. They comprise four audit activities of driver testing agent officers and course providers, transport operators, certifying agents and regulatory compliance and agent service delivery (with targets of >90%); and two completion rates against standard of official correspondence and transport rules development programmes (with targets of 100%). Aggregation to the overall result is based on weighted volume of activity across the components in the given year.
- The number of products/services delivered or processed includes WoFs, CoFs, new and renewed driver licences, issuing of driver and transport operator testing services, certification review, border inspection, over dimension permits and drug and alcohol assessments funded.

- The % *customer satisfaction* reflects the proportion of licensing customers who considered it easy to complete their driver licensing test booking via the internet. It is sourced from a feedback survey open to all users of the internet transaction service.

### Road tolling

- Unit transaction cost* is the direct unit cost of delivering a toll service. Cost excludes write offs, bad debts and administration fees from toll payment notices.
- The % of transactions completed online is the proportion of casual trip and account holder trip transactions completed through a self-service channel (internet, kiosk and accounts) over the total number of trip and account holder trip transactions completed.

### Motor vehicle registry

- The % of transactions completed online is the proportion of motor vehicle annual vehicle licensing (including reversals), new registrations, and register maintenance actions (including vehicle licensing exemptions, change of ownership (buyer), change of ownership (seller), change of name/address, registered person name and address) processed over the internet, Direct Connect and via an industry agent.
- The % accuracy of register reflects the accuracy of the information entered into the motor vehicle registry (MVR). Data verification activities are focused on confirming vehicle attributes, vehicle ownership and address information in the MVR. It combines the result of regular audit checks by regional staff, unverified owner and address information returns.
- The % *customer satisfaction* reflects the proportion of motor vehicle register customers who consider the internet transaction they undertook was easy to complete. It is sourced from a feedback survey open to all users of the online transaction service. Responses are based on the following online transactions: vehicle licence renewal, bought or sold a vehicle, a registered person or stolen vehicle check, an exemption from vehicle licensing, applying for registered person name and address and revoking access to personal details.

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

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

## MANAGING THE STATE HIGHWAY NETWORK

### New and improved infrastructure for state highways

24. % of activities that are delivered to agreed standards and timeframes compares time, cost and quality of large, block and property acquisition programmes (at the time that construction commenced). It is a measure of the effectiveness of the Transport Agency as a project manager. Within each programme, time, cost and quality are equally weighted with targets of >90%. Aggregation to the overall result is based on weighted programme expenditure across the components in the given year.
- For National War Memorial Park: Buckle Street undergrounding project and Construction of passing opportunities on State Highway 2 between Napier and Gisborne, the % of activities that are delivered to agreed standards and timeframes is based on the proportion of the fund spent according to scope and Vote Transport for new and improved state highway work on Buckle Street in Wellington and on passing lanes between Napier and Gisborne.
25. The % of customer satisfaction demonstrates the percentage of supplier stakeholders that were satisfied with the relationship between their organisation and the Transport Agency. This is measured through an independently conducted survey.

### Renewal of state highways

26. The % of activities that are delivered to agreed standards and timeframes presents the physical achievement of renewal activities and progress of state highway pavement renewal programme against baseline. It is a measure to keep track of the delivery of physical performance targets. The single component aspect of this measure examines the proportion of state highway renewal work completed compared to the planned kilometres.
27. Safe stopping: % of travel on network above skid threshold reflects efficiency in meeting surface texture standards (to ensure safe stopping) as per sector research. Minimum acceptable levels of skid resistance are set in relation to the road environment. The annual programme of reseals (surface renewals) is driven (in part) by the need to improve skid resistance.
28. Network resilience: % of rutting >20mm over state highway network is the proportion of rutting above the 20mm threshold over the length of the state highway network.

### Refund of fuel excise duty (FED)

22. Average number of days taken to deliver is determined by how long it takes, on average, to process and approve FED refunds. Days to deliver refer to the number of working days between the date of application to the date of approval recorded in the FED database system.
23. The number of products/services delivered or processed is the number of FED refund applications processed or delivered for the reporting period. The volume of application is based on the processing date.

Rutting in the road surface (long shallow channels generally found in wheelpaths) is one of the key indicators of the health of the underlying pavement and the need for pavement renewal. Ruts often also hold water and thus lower skid resistance.

### Maintenance and operation of state highways

29. The % of activities that are delivered to agreed standards and timeframes presents the physical achievement of maintenance activities and progress of state highway maintenance programme against baseline. It is a measure to keep track of the delivery of physical performance targets. The single component aspect of this measure examines expenditure against baseline budget outlined in the state highway annual budget.
30. Safe stopping: % of network meeting surface texture standards reflects efficiency in meeting surface texture standards (to ensure safe stopping) as per sector research. Maintenance of the state highway focuses on ensuring skid resistance (to ensure safe stopping). Minimum acceptable levels of skid resistance are set in relation to the road environment. The annual programme of reseals (surface renewals) is driven (in part) by the need to maintain network skid resistance.
31. Smooth ride: % of travel on network classed as smooth is the proportion of travel (proportion of vehicle kilometres travelled on the network surveyed) that occurs on pavements smoother than a nominated surface texture standard over the length of the network surveyed.
32. % availability of state highway network is expressed as the sum of all unscheduled road closure incidences (both urban and rural) which have a significant impact on road users addressed within standard timeframes (ie urban < 2 hours; rural <12 hours) and protocol over the total number of road closure incidences.
33. The % customer satisfaction reflects the proportion of the public who are satisfied with the availability of network information and the overall rating of the state highways in New Zealand. It is sourced from several customer surveys. These are computer aided telephone interviewing (CATI) design surveys with quotas set for target audiences according to age, race, gender and residential region (prescribed numbers are set for each to ensure balance and fairness).

## INVESTING IN LAND TRANSPORT

### Administration of the SuperGold Card scheme

34. The % of activities that are delivered to agreed standards and timeframes is a measure of our speed of processing and approving SuperGold claims to regional councils. The component measure is the average number of days taken to process claims received from regional councils. Days to process is defined as the difference between the date the payment was made and the date the claim was submitted/recorded in the Transport Investment Online (TIO) system or Land Transport Programme website by the regional council. Claims are received, validated and paid electronically.

### Road safety promotion

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

36. The % of road safety advertising campaigns that meet or exceed their agreed success criteria is a measure based on the success of road safety advertising campaigns. It is a composite measure reflecting the number and breadth of the advertising campaigns used, the varied media in which they are presented (including online) and the different aspects of the campaigns that are measured (including likeability, relevance, message takeout, likelihood to change attitude and prompted recall). These measures are collected from independently conducted surveys, media and website reporting.

# APPENDIX 2: SUMMARY OF HOW OUR OUTPUTS CONTRIBUTE TO OUR LONG-TERM GOALS

We produce 20 outputs, each of which contributes to our desired long-term goals in different ways. This relationship is shown in the following table and further detail is provided under each output class (on pages 100 - 135).

		CONTRIBUTION TO OUR LONG-TERM GOALS			
FUNCTION	OUTPUT	INTEGRATING ONE NETWORK	SHAPING SMART TRANSPORT CHOICES	DELIVERING HIGHWAY SOLUTIONS	MAXIMISING RETURNS FOR NEW ZEALAND
Planning the land transport network	Management of the funding allocation system	●			●
	Transport planning**	●			●
	Sector research	●	●	●	●
Providing access to and use of the land transport system	Licensing and regulatory compliance		●		
	Road tolling		●	●	●
	Motor vehicle registry		●		
	Road user charges collection, investigation and enforcement		●		●
	Refund of fuel excise duty		●		●
Managing the state highway network	New infrastructure for state highways			●	●
	Renewal of state highways			●	●
	Maintenance and operation of state highways			●	●
Investing in land transport	Public transport**	●	●	●	●
	Administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders (two outputs)**		●		●
	Road safety promotion**	●	●	●	●
	Road Policing Programme*		●	●	●
	New and improved infrastructure for local roads*	●			●
	Renewal of local roads*				●
	Maintenance and operation of local roads*				●
	Walking and cycling**	●	●		●

\* We do not deliver these goods or services directly. We invest in these output classes through the National Land Transport Programme. Actual outputs are delivered by approved organisations, such as local authorities. Information on how we measure our investment performance can be found under the output class *Management of the funding allocation system*.

\*\* We partly deliver these services along with approved organisations/local authorities.

<b>KEY</b>	● Major/primary contribution	● Minor/secondary contribution	NB: Where there is no dot, there may still be a small contribution
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# APPENDIX 3: HOW OUR OUTPUTS CONTRIBUTE TO LONG-TERM IMPACTS

We produce 20 outputs, each of which contributes to our desired long-term impacts, which are aligned to the direction in the Government Policy Statement on Land Transport Funding 2012/13-2021/22. This relationship is shown in the following table.

FUNCTION	OUTPUT CLASS	OUR DESIRED GOALS							
		Better use of existing transport capacity	More efficient freight supply chains	Resilient and secure transport network	Easing of severe urban congestion	More efficient vehicle fleets	Reductions in deaths and serious injuries from road crashes	More transport mode choices	Reduction in adverse environmental effects from road transport
PLANNING THE LAND TRANSPORT NETWORK	Management of the funding allocation system	●	●	●	●		●	●	●
	Transport planning	●	●	●	●		●	●	●
	Sector research	●	●	●	●	●	●	●	●
PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM	Licensing and regulatory compliance		●			●	●		●
	Road tolling	Revenue collection supports repayment of debt-funded infrastructure investment							
	Motor vehicle registry						●	●	●
	Road user charges collection, investigation and enforcement	Revenue collection for the NLTP supports the Transport Agency's investment in the land transport system							
	Refund of fuel excise duty	Revenue collection for the NLTP supports the Transport Agency's investment in the land transport system							
MANAGING THE STATE HIGHWAY NETWORK	New infrastructure for state highways		●	●	●		●		
	Renewal of state highways	●	●	●	●				
	Maintenance and operation of state highways	●	●	●	●		●		●
INVESTING IN LAND TRANSPORT	Public transport Administration of the SuperGold cardholders' scheme	●		●	●		●	●	●
	Enhanced public transport concessions for SuperGold cardholders								
	Road safety promotion					●	●		
	Road Policing programme*		●	●			●		
	New and improved infrastructure for local roads*		●	●	●		●		
	Renewal of local roads*	●	●	●	●				
	Maintenance and operation of local roads*	●	●	●	●		●		●
	Walking and cycling*	●			●		●	●	●

\* We do not deliver these goods or services directly. These output classes receive NLTP investment funds. Actual outputs are delivered by approved organisations. Measures of our performance in relation to investment output classes can be found in the management of the funding allocation system.

<b>KEY</b>	● Major/primary contribution	● Minor/secondary contribution	NB: Where there is no dot, there may still be a small contribution
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## APPENDIX 4: OUTPUT CLASS INCOME AND EXPENDITURE

### PLANNING AND INVESTING IN LAND TRANSPORT NETWORKS

#### MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown (crash analysis system)	775	775	771
National Land Transport Fund	30,714	30,000	29,573
Other	272	0	142
<b>Total inflows</b>	<b>31,761</b>	<b>30,775</b>	<b>30,486</b>
<b>OUTFLOWS</b>			
Transport Agency (crash analysis system)	469	775	1,021
Transport Agency operating activities	31,292	30,000	29,715
<b>Total outflows</b>	<b>31,761</b>	<b>30,775</b>	<b>30,736</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>(250)</b>

#### TRANSPORT PLANNING

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	15,201	23,356	14,495
Other	25	0	432
<b>Total inflows</b>	<b>15,226</b>	<b>23,356</b>	<b>14,927</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	4,672	4,200	4,291
Funding to approved organisations	10,554	19,156	10,636
<b>Total outflows</b>	<b>15,226</b>	<b>23,356</b>	<b>14,927</b>
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>



## SECTOR RESEARCH

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	5,001	6,100	4,197
<b>Total inflows</b>	<b>5,001</b>	<b>6,100</b>	<b>4,197</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	5,001	6,100	4,197
<b>Total outflows</b>	<b>5,001</b>	<b>6,100</b>	<b>4,197</b>
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PUBLIC TRANSPORT

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	298,382	319,391	271,926
Other	552	0	340
<b>Total inflows</b>	<b>298,934</b>	<b>319,391</b>	<b>272,266</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	10,083	3,093	573
Funding to approved organisations (PT infrastructure)	25,343	24,807	15,554
Funding to approved organisations (PT services)	269,511	291,491	256,139
<b>Total outflows</b>	<b>304,937</b>	<b>319,391</b>	<b>272,266</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(6,003)</b>	<b>0</b>	<b>0</b>

The deficit results from the impairment of the public transport automated fare collection system.

**ROAD SAFETY PROMOTION**

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	32,553	33,350	31,453
Community road safety programme	1,205	1,460	1,018
Other	374	0	359
<b>Total inflows</b>	<b>34,132</b>	<b>34,810</b>	<b>32,829</b>
<b>OUTFLOWS</b>			
Transport Agency (community road safety programme)	46	3,047	634
Transport Agency (vehicle impoundment)	185	200	151
Transport Agency operating activities	19,741	18,900	18,844
Funding to approved organisations	13,000	14,250	12,816
<b>Total outflows</b>	<b>32,972</b>	<b>36,397</b>	<b>32,445</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>1,160</b>	<b>(1,587)</b>	<b>384</b>

**NEW AND IMPROVED INFRASTRUCTURE FOR LOCAL ROADS**

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	187,509	167,000	125,043
<b>Total inflows</b>	<b>187,509</b>	<b>167,000</b>	<b>125,043</b>
<b>OUTFLOWS</b>			
Funding to approved organisations	187,509	167,000	125,043
<b>Total outflows</b>	<b>187,509</b>	<b>167,000</b>	<b>125,043</b>
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RENEWAL OF LOCAL ROADS**

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	247,539	251,000	232,761
<b>Total inflows</b>	<b>247,539</b>	<b>251,000</b>	<b>232,761</b>
<b>OUTFLOWS</b>			
Funding to approved organisations	247,539	251,000	232,761
<b>Total outflows</b>	<b>247,539</b>	<b>251,000</b>	<b>232,761</b>
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

## MAINTENANCE AND OPERATION OF LOCAL ROADS

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown (Reinstatement of local roads in Canterbury)	0	0	30,800
National Land Transport Fund	291,161	385,000	302,607
Other	0	0	11
<b>Total inflows</b>	<b>291,161</b>	<b>385,000</b>	<b>333,418</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	32	0	0
Funding to approved organisations	291,129	285,000	290,445
Funding to AOs (Christchurch earthquake funding)	3,137	100,000	12,173
Funding to AOs (Reinstatement of local roads in Canterbury)	0	0	30,351
<b>Total outflows</b>	<b>294,298</b>	<b>385,000</b>	<b>332,969</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(3,137)</b>	<b>0</b>	<b>449</b>

The additional expenditure to assist in the Christchurch earthquake recovery, over that already provided for in the NLTP, is funded by a loan from the Crown. The deficit in one year is drawn down against the loan in the following year.

## WALKING AND CYCLING

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown (Urban Cycleways)	3,654	0	0
Capital contribution Crown (Urban cycleways)	1,346	0	0
National Land Transport Fund	29,971	18,000	17,947
Other	1,170	0	250
<b>Total inflows</b>	<b>36,141</b>	<b>18,000</b>	<b>18,197</b>
<b>OUTFLOWS</b>			
Funding to approved organisations	31,142	18,000	18,197
Crown funding to approved organisations (Urban cycleways)	1,250	0	0
Crown investment in the state highway network	1,346	0	0
<b>Total outflows</b>	<b>33,738</b>	<b>18,000</b>	<b>18,197</b>
<b>NET SURPLUS</b>	<b>2,403</b>	<b>0</b>	<b>0</b>

The reported surplus relating to the Urban Cycleway programme arises from recognition of revenue based on the amount appropriated in the Crown accounts. In the future it is intended to use "approval in principle" to carry forward unspent funds, and match the revenue to the level of expenditure each year.

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

### LICENSING AND REGULATORY COMPLIANCE

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown (ministerial advice & official correspondence)	548	548	548
Crown (rules development)	899	899	824
Crown (drug and alcohol assessments)	1,238	1,238	1,200
Crown (driver licensing stop orders)	75	75	900
Crown (driver test subsidy)	1,445	1,445	1,445
Fees and charges	82,221	74,153	76,909
Other	788	374	928
<b>Total inflows</b>	<b>87,214</b>	<b>78,732</b>	<b>82,754</b>
<b>OUTFLOWS</b>			
Ministerial advice and official correspondence	814	848	826
Rules development	702	734	601
Drug and alcohol assessments	1,273	1,281	1,256
Fees and charges funded activities	81,246	75,065	75,845
Other (including driver licensing stop orders)	159	710	1,166
<b>Total outflows</b>	<b>84,194</b>	<b>78,638</b>	<b>79,694</b>
<b>NET SURPLUS</b>	<b>3,020</b>	<b>94</b>	<b>3,060</b>

### ROAD TOLLING

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Fees and charges	6,332	6,694	6,056
<b>Total inflows</b>	<b>6,332</b>	<b>6,694</b>	<b>6,056</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	5,541	6,123	5,481
<b>Total outflows</b>	<b>5,541</b>	<b>6,123</b>	<b>5,481</b>
<b>NET SURPLUS</b>	<b>791</b>	<b>571</b>	<b>575</b>

## MOTOR VEHICLE REGISTRY

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Fees and charges	59,524	54,871	56,779
<b>Total inflows</b>	<b>59,524</b>	<b>54,871</b>	<b>56,779</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	58,611	56,152	54,033
<b>Total outflows</b>	<b>58,611</b>	<b>56,152</b>	<b>54,033</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>913</b>	<b>(1,281)</b>	<b>2,747</b>

## ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown (RUC collection)	4,720	0	15,630
NLTF/Crown (RUC investigation and enforcement)	3,779	3,984	3,835
NLTF/Crown (RUC refund)	450	450	470
Fees and charges	7,648	11,539	0
<b>Total inflows</b>	<b>16,597</b>	<b>15,973</b>	<b>19,935</b>
<b>OUTFLOWS</b>			
Transport Agency (RUC investigation and enforcement)	2,969	3,984	3,835
Transport Agency (RUC refund)	794	450	470
Transport Agency (RUC collection)	11,974	11,025	12,746
<b>Total outflows</b>	<b>15,737</b>	<b>15,459</b>	<b>17,051</b>
<b>NET SURPLUS</b>	<b>860</b>	<b>514</b>	<b>2,884</b>

RUC investigation and enforcement, and refunds was funded from the Crown in 2013/14, but is now funded from the NLTF.

## REFUND OF FUEL EXCISE DUTY

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund/Crown	475	399	429
Other	89	0	0
<b>Total inflows</b>	<b>564</b>	<b>399</b>	<b>429</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	553	399	505
<b>Total outflows</b>	<b>553</b>	<b>399</b>	<b>505</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>11</b>	<b>0</b>	<b>(76)</b>

This output class was funded from the Crown in 2013/14, but is now funded from the NLTF.

## MANAGING THE STATE HIGHWAY NETWORK

### NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown (Construction of passing opportunities on SH2)	500	0	3,350
Capital contribution Crown (National war memorial park)	10,000	10,000	25,000
Capital contribution Crown (Regional state highways)	12,000	0	0
Capital contribution National Land Transport Fund	696,878	751,550	614,975
National Land Transport Fund	523,051	457,171	517,974
National Land Transport Fund (interest income)	1,199	17,350	2,096
Other (contributions)	51,823	0	18,904
State highway disposals	61,323	57,600	79,693
Borrowing from the Crown (Tauranga Eastern Link)	107,000	107,000	0
<b>Total inflows</b>	<b>1,463,774</b>	<b>1,400,671</b>	<b>1,261,992</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	36,302	31,760	31,299
Transport Agency investment in the state highway network	1,294,936	1,189,740	1,199,010
Transport Agency investment (Auckland transport initiatives)	0	55,000	0
Transport Agency investment (Tauranga Eastern Link)	107,000	107,000	0
Crown investment (Passing opportunities on SH2)	500	0	3,350
Crown investment (National war memorial park)	10,000	10,000	25,000
Crown investment (Regional state highways)	12,000	0	0
<b>Total outflows</b>	<b>1,460,738</b>	<b>1,393,500</b>	<b>1,258,659</b>
<b>NET SURPLUS</b>	<b>3,036</b>	<b>7,171</b>	<b>3,333</b>

**RENEWAL OF STATE HIGHWAYS**

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Capital contribution National Land Transport Fund	175,443	213,853	161,252
National Land Transport Fund	0	0	0
Other (contributions)	16,338	0	7,341
<b>Total inflows</b>	<b>191,781</b>	<b>213,853</b>	<b>168,593</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	8,450	8,000	10,710
Transport Agency investment in the state highway network	183,331	205,853	157,883
<b>Total outflows</b>	<b>191,781</b>	<b>213,853</b>	<b>168,593</b>
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>

**MAINTENANCE AND OPERATION OF STATE HIGHWAYS**

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
National Land Transport Fund	341,251	362,483	348,382
National Land Transport Fund (rental and interest income)	16,524	0	17,048
Other (contributions)	5,316	2,321	7,741
<b>Total inflows</b>	<b>363,091</b>	<b>364,804</b>	<b>373,170</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	19,101	16,042	12,950
Transport Agency investment in the state highway network	344,183	347,429	359,836
<b>Total outflows</b>	<b>363,284</b>	<b>363,471</b>	<b>372,786</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(193)</b>	<b>1,333</b>	<b>384</b>

The decision to split the inflows from the NLTF was made after the budget was approved.



## SPECIFIC PROJECTS FUNDED BY THE CROWN

### ENHANCED PUBLIC TRANSPORT CONCESSIONS FOR SUPERGOLD CARDHOLDERS

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown	26,116	25,905	23,905
<b>Total inflows</b>	<b>26,116</b>	<b>25,905</b>	<b>23,905</b>
<b>OUTFLOWS</b>			
Funding to approved organisations	26,329	25,905	24,110
<b>Total outflows</b>	<b>26,329</b>	<b>25,905</b>	<b>24,110</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(213)</b>	<b>0</b>	<b>(205)</b>

### ADMINISTRATION OF THE SUPERGOLD CARDHOLDERS' SCHEME

	ACTUAL 2014/15 \$000	BUDGET 2014/15 \$000	ACTUAL 2013/14 \$000
<b>INFLOWS</b>			
Crown	95	95	95
<b>Total inflows</b>	<b>95</b>	<b>95</b>	<b>95</b>
<b>OUTFLOWS</b>			
Transport Agency operating activities	95	95	95
<b>Total outflows</b>	<b>95</b>	<b>95</b>	<b>95</b>
<b>NET SURPLUS</b>	<b>0</b>	<b>0</b>	<b>0</b>