

NZ TRANSPORT AGENCY STATEMENT OF INTENT 2013-16

This *Statement of intent* sets out our approach and course of action for the next three years that will contribute to the delivery of the government's land transport objectives and wider transport vision.



CREATING TRANSPORT SOLUTIONS FOR A THRIVING NEW ZEALAND

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FOREWORD FROM THE BOARD CHAIR AND CHIEF EXECUTIVE

Better infrastructure and transport services are essential if the economy is to deliver greater prosperity, security and opportunities for all New Zealanders.

The government has stated that it is looking for a high performing and resilient transport system that provides efficient access to export markets, lowers costs to business and makes it easier for people to access employment. The government has also clearly stated that it remains focused on providing New Zealanders with better public services that deliver value for money.

With a strong track record of achievement, the NZ Transport Agency (NZTA) is well positioned to continue to deliver on this agenda and on the government's value for money expectations.

The NZTA will be five years old this year and we continue to sharpen our delivery focus over the short to medium-term, and build our delivery capability over the longer-term, in order to meet the government's expectations of the land transport system.

This *Statement of intent 2013-16* describes how we will promote greater integration of the land transport system. By working with our partners and listening to our customers, we will develop and deliver a portfolio of investments and services that provide effective transport solutions at the national, regional and local levels.

This *Statement of intent* positions the NZTA to deliver value for money solutions that extract maximum return from the existing land transport networks and activities, whilst also directing future capital and operational investment into areas that will provide the greatest economic and social value. It also outlines how we will build our organisational capability to ensure that we can continue to deliver effectively in the future, in a changing operating environment.

Our longer-term focus for the transport network concerns integrating land uses, transport networks, and the various modes, services and systems to deliver a seamless 'one network' experience for customers. We expect to make significant progress toward this goal over the next three years.



Underpinning our pursuit of one network are the relationships and partnerships that we have been forging, in particular with freight operators and our partners in joint transport operations centres. With these relationships in place we can now focus on shared priorities and opportunities to lift network efficiency and deliver productivity improvements.

In Auckland we will continue to strengthen our partnership with Auckland Transport to ensure an integrated approach to the planning, investment and management of that region's land transport system. We will also continue to support the rebuild and further development of the land transport system in Canterbury, which is making a significant contribution to the region's recovery.

We will make it easier for our customers to make smarter choices about how they use the transport system - choices that are safer, more efficient and more responsible. By lifting the NZTA's capability to design with our customers in mind, we will work to transform our services, making compliance easier and cheaper for businesses and individuals, and ensuring more of our services can be accessed online.

We will continue to work with our co-investment partners to deliver the 2012-15 National Land Transport Programme, maximising return on investment from the National Land Transport Fund. In partnership with local authorities for local roads and public transport, and directly for the strategic state highway network, we will sharpen the focus of our investment to ensure it is efficient and is placed where it best supports economic growth that allows communities to thrive.

Major capital investment in highway solutions will continue as we progress the roads of national significance, including the Waterview Connection, New Zealand's largest roading project, and the innovative public private partnership for Transmission Gully. Our investment will deliver a safer, more reliable and resilient highway network for customers that is integrated into the wider transport system.

We will put the customer at the heart of all of our business, designing services, building infrastructure and helping operate an integrated transport system that ensures that the movement of people and goods becomes more efficient, reliable and safe.

Chris Moller
Chair

NZ TRANSPORT AGENCY

Geoff Dangerfield
Chief Executive

NZ TRANSPORT AGENCY

INTRODUCING THE NZ TRANSPORT AGENCY BOARD

CHRIS MOLLER, CHAIR (WELLINGTON)

Chris is a non-executive director who chairs the Meridian Energy Ltd, SKYCITY Entertainment Group Ltd and New Zealand Cricket Inc boards. He is also a Director of Westpac New Zealand Ltd and the International Cricket Council. He was Chief Executive of the New Zealand Rugby Union, Deputy Chief Executive of Fonterra Co-operative Group Ltd, and a director of a range of joint venture and subsidiary organisations within the New Zealand dairy industry, both domestically and internationally.

PATSY REDDY, DEPUTY CHAIR (WELLINGTON)

Patsy is a non-executive director and a qualified lawyer. She is Chair of the New Zealand Film Commission, and is a director of Payments NZ Ltd and Active Equity Holdings Ltd. She is also a chief crown negotiator for Treaty of Waitangi Settlements in the Bay of Plenty. Her previous directorships include Telecom Corporation of NZ Ltd, SKYCITY Entertainment Group Ltd, New Zealand Post and Air New Zealand Ltd.

GILL COX (CHRISTCHURCH)

Gill is a chartered accountant and business consultant. He chairs MainPower NZ Ltd and Transwaste Canterbury Ltd, and is a member of the Advisory Body of Development West Coast. He currently serves on the boards of a number of large privately held companies in Canterbury involved in the manufacturing, warehousing and distribution, and fishing industries. Gill is a member of the CERA Community Forum in Christchurch and the executive of the Canterbury Business Leaders Group, and is a past President of the New Zealand Institute of Chartered Accountants.

TONY LANIGAN (AUCKLAND)

Tony is a professional civil engineer (FIPENZ), project management consultant and former general manager of Fletcher Construction. Tony was Chancellor of Auckland University of Technology and a director of Infrastructure Auckland. He is currently Vice Chair of Habitat for Humanity in New Zealand and Chair of New Zealand Housing Foundation. He is a director of Watercare Services Limited.

JERRY RICKMAN (HAMILTON)

Jerry is a chartered accountant and professional director. Jerry currently chairs Alandale Life Care Ltd, EziBuy Holdings Ltd, HG Leach Ltd and Tidd Ross Todd Ltd and is a director of Power Farming Holdings Ltd. He was a member of Telecom's Independent Oversight Group. He has chaired the boards of Waikato Regional Airport Ltd, Waikato District Health Board, and Innovation Waikato Ltd.

ALICK SHAW (WELLINGTON)

Alick works as an independent commissioner for hearings convened under the Resource Management Act 1991 and as a member of boards of Crown entities, council organisations, privately held companies and the cultural sector. He is a member of the New Zealand Parole Board and a former deputy mayor of Wellington city.

ADRIENNE YOUNG-COOPER (AUCKLAND)

Adrienne is a businesswoman, professional director and an Accredited Fellow of the Institute of Directors. She has a 30-year career in resource management and town planning specialising in spatial planning, metropolitan growth management including infrastructure planning and large projects. Adrienne was the Deputy Chair of Auckland Regional Transport Authority (replaced by Auckland Transport) and was a board member of Maritime New Zealand until 2011. Her experience and contribution in transport governance is extensive. She also is Deputy Chair of Auckland Waterfront Development Agency Limited (Waterfront Auckland) and Deputy Chair of Housing New Zealand Corporation.



GILL COX

CHRIS MOLLER
Chair

PATSY REDDY
Deputy Chair

ALICK SHAW

TONY LANIGAN

ADRIENNE YOUNG-COOPER

JERRY RICKMAN

PART 1 STATEMENT OF STRATEGIC INTENT



A THRIVING NEW ZEALAND

The government transport sector is seeking an effective, efficient, safe, responsible and resilient transport system that supports a thriving New Zealand.

New Zealand will thrive when its transport system is effective in moving people and freight where they need to go in a timely manner. An efficient transport system will deliver the right infrastructure and services to the right level at the best cost and show resilience in how it meets future transport needs and endures shocks. And in order to help New Zealand thrive, its transport system has to be responsible in how it reduces the harm from transport such as road trauma and environmental impact.

The NZ Transport Agency's (NZTA) purpose is to deliver transport solutions for a thriving New Zealand on behalf of the government. We are specifically responsible for the following four functions:

- Helping to plan land transport networks, bringing a national perspective.
- Providing access to and use of the land transport system.
- Managing the state highway network.
- Investing in land transport.

Beyond these four functions our broader aim is to make sure that people have a seamless experience across New Zealand's land transport system, including local roads, public transport, rail and other parts of the network. We therefore invest and operate with a 'whole of system' outlook.

For the next three years, the government's immediate priorities for transport are investment in infrastructure, better quality regulation, a safer transport system and opening markets. The Minister of Transport's Letter of Expectations to the NZTA sets out these priorities, and requires the NZTA to continue focusing on delivering value for money in all we invest in and do, applying a strong customer focus and working towards a more resilient transport sector.

This *Statement of intent* gives effect to the government's direction for transport and addresses the Minister of Transport's Letter of Expectations.

Our legislative and policy responsibilities

LEGISLATION AND REGULATION

The Land Transport Management Act 2003 (LTMA) establishes the NZTA, and provides the legal framework for managing and funding land transport activities and provides for a Government Policy Statement on Land Transport Funding (GPS).

Under this legislation we have the following responsibilities:

- Contribute to an efficient, effective, and safe land transport system in the public interest.
- Manage the state highway system, including planning, funding, design, supervision, construction, maintenance and operations.
- Manage funding of the land transport system, including auditing the performance of organisations receiving land transport funding.
- Manage regulatory requirements for transport on land.
- Investigate and review accidents and incidents involving transport on land.
- Cooperate with, provide advice and assist any government agency or local government agency at the Minister's request.
- Provide the Minister with advice on our functions.
- Carry out any other land transport functions directed by the Minister under the Crown Entities Act 2004.
- Carry out the functions required by the Land Transport Management Act 2003 or under any other act.

Also of key importance is the Land Transport Act 1998, which promotes safe road user behaviour and vehicle safety, provides for a system of rules governing road user behaviour, and the licensing of drivers and technical aspects of land transport.

Other relevant legislation includes the Railways Act 2005, the Government Rooding Powers Act 1989 and the Road User Charges Act 2012.

Land transport rules are a form of delegated legislation similar to regulations. The NZTA produces rules for the Minister of Transport under an agreement made with the Chief Executive of the Ministry of Transport. Land transport rules have a significant influence on access of people and vehicles to road and rail networks, and guide the conduct or use of the networks.

STATUTORILY INDEPENDENT FUNCTIONS

The Land Transport Management Act 2003 outlines that the NZTA's statutorily independent functions are to:

- determine whether particular activities should be included in the National Land Transport Programme
- approve activities as qualifying for payment from the National Land Transport Fund
- approve procurement procedures for land transport activities
- issue or suspend any land transport document or authorisation, and to
- enforce any provisions relating to its functions.

We receive guidance from these policy documents

1. CONNECTING NEW ZEALAND

is a summary of the government's policy direction for transport. The document notes that the government is seeking a transport system that supports the growth of our country's economy, in order to deliver greater prosperity, security and opportunities for all New Zealanders. New Zealand is a trading nation, but geographically we are further away from the economic centres of the world than any other developed country. Therefore to be internationally competitive, we need to improve the efficiency of our transport networks by focusing on three key areas: economic growth and productivity, value for money and road safety.

→ VISIT

www.transport.govt.nz/ourwork/KeyStrategiesandPlans/Pages/ConnectingNewZealand.aspx

2. GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT FUNDING (GPS)

sets out the government's priorities for expenditure from the National Land Transport Fund over the next 10 years. It sets out how funding is allocated between activities such as road safety policing, state highways, local roads and public transport. The GPS directly guides the investment that the NZTA makes in the land transport system on behalf of the government. How the GPS frames the NZTA's investment function is set out in relation to the 'Maximising return for New Zealand' section of the *Statement of intent*.

→ VISIT

www.transport.govt.nz/ourwork/KeyStrategiesandPlans/Pages/GPSonLandTransportFunding.aspx

3. SAFER JOURNEYS

is the government's strategy to guide improvements in road safety over the period 2010 to 2020. The strategy's vision is a safe road system increasingly free of death and serious injury. This is underpinned by the world leading Safe System approach to reducing death and serious injuries from road crashes. The priority areas are those where significant change is needed to make an improvement, and where improvements can help to reduce a large number of road deaths and serious injuries. Safe speeds, impaired drivers and vehicle safety are all 2013-15 priority focus areas. Progress will continue to be made in other key areas such as roads and roadsides, young drivers, motorcyclists, distracted and fatigued drivers, high-risk drivers, walking and cycling, restraints and older drivers.

→ VISIT

www.saferjourneys.govt.nz/about-safer-journeys/strategy-2010-2020/

4. NATIONAL INFRASTRUCTURE PLAN

The purpose of the plan is to improve investment certainty for businesses by increasing confidence in current and future infrastructure provision. The government's 20-year vision for New Zealand's infrastructure is that by 2030, New Zealand's infrastructure is resilient, coordinated, and contributes to economic growth and increased quality of life. The National Infrastructure Plan outlines a three-year programme of work to progress this vision.

→ VISIT

www.infrastructure.govt.nz/plan/2011

5. NEW ZEALAND ENERGY STRATEGY

sets the strategic direction for the energy sector and the role energy will play in the New Zealand economy. The government's goal is for New Zealand to make the most of its abundant energy potential through the environmentally responsible development and efficient use of the country's diverse energy resources. The New Zealand Energy Strategy 2011-2021 sets out four priority areas: diverse resource development; environmental responsibility; efficient use of energy; and secure and affordable energy. The **Energy Efficiency and Conservation Strategy** (NZECS), a companion strategy, is specifically focused on the promotion of energy efficiency, energy conservation and renewable energy. The NZECS sets out six objectives for six sectors, which will contribute to the overall New Zealand Energy Strategy 2011-2021 goal. The objective for transport is to create a more energy efficient transport system, with a greater diversity of fuels and alternative energy technologies.

→ VISIT

www.med.govt.nz/sectors-industries/energy/strategies



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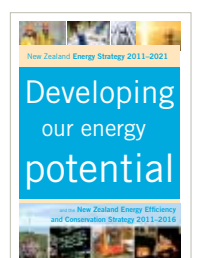
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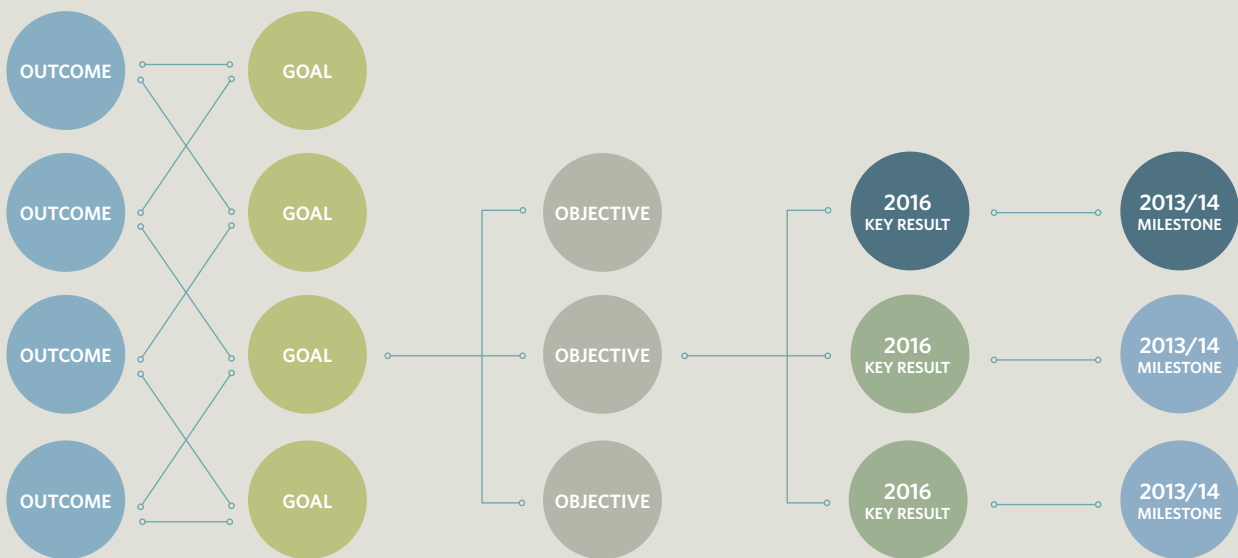


5.

TRANSPORT SOLUTIONS FOR A THRIVING NEW ZEALAND

Our long and short-term operating intentions give effect to the government's direction for the transport sector.

OUR OUTCOMES FRAMEWORK



TRANSPORT SECTOR OUTCOMES

These describe the desired future state for the transport sector.

NZTA LONG-TERM GOALS

NZTA contributes to the realisation of the enduring outcomes by pursuing four long-term goals. The goals shape the organisation's direction and actions over the next 20 years. Indicators track our progress against each goal.

NZTA MEDIUM-TERM OBJECTIVES

For each goal there are three medium-term objectives. These objectives have a 10 year outlook and guide our 10 year work programme.

KEY RESULTS BY 2016

For each objective there are between 1 and 8 key results for the NZTA to deliver by 2016. Some of the results may be prioritised – there are five clusters of priority results that relate to a specific goal success indicator.

MILESTONES BY 2013/14

For each key result there are specific milestones to achieve in 2013/14.

NZTA SHORTER-TERM PRIORITIES

Five clusters of key results have been prioritised for 2013-16, achieving specific targets against goals, as illustrated above.

The following framework diagram provides an overview of the relationship between the sector outcomes and the contributions we will undertake, as well as the indicators that will measure our progress toward achieving the desired goals and outcomes.



SUMMARY OF OUR OPERATING INTENTIONS

2013 →

Desired outcomes

from the New Zealand transport sector.



EFFECTIVE

Moves people and freight where they need to go in a timely manner

EFFICIENT

Delivers the right infrastructure and services to the right level at the best cost

SAFE & RESPONSIBLE

Reduces the harms from transport

RESILIENT

Meets future needs and endures shocks

2013 →

NZTA's long-term goals

Our strategic direction.

2013-22

NZTA's medium-term objectives

Implemented through the NZTA 10-year work programme, with key results specified for 2016.

Integrate one effective and resilient network for customers

SEE PAGE 14

- 1 Integrate land uses and transport networks to shape demand at national, regional and local levels.
- 2 Integrate national and local transport networks to support strategic connections and travel choice.
SHORT-TERM FOCUS: *making the most of urban network capacity* NZTA PRIORITY 2
- 3 Improve freight supply chain efficiency.
SHORT-TERM FOCUS: *moving more freight on fewer trucks* NZTA PRIORITY 3

Shape smart efficient, safe & responsible transport choices

SEE PAGE 18

- 4 Implement the Safe System approach to create a forgiving land transport system that accommodates human error and vulnerability.
SHORT-TERM FOCUS: *safe speeds to reduce deaths and serious injuries* NZTA PRIORITY 4
- 5 Incentivise and shape safe and efficient travel choices using a customer-focused approach.
- 6 Reduce costs for transport users through better regulation and willing compliance.

Deliver efficient, safe & responsible highway solutions for customers

SEE PAGE 22

- 7 Greater resilience of the state highway network.
- 8 Deliver consistent levels of customer service that meet current expectations and anticipate future demand.
SHORT-TERM FOCUS: *safe speeds to reduce deaths and serious injuries* NZTA PRIORITY 4
SHORT-TERM FOCUS: *efficient road maintenance investment and delivery* NZTA PRIORITY 5
- 9 Plan for and deliver the roads of national significance.

Maximise effective, efficient & strategic returns for New Zealand

SEE PAGE 26

- 10 Align investment to agreed national, regional and local outcomes and improve value for money in all we invest in and deliver.
SHORT-TERM FOCUS: *efficient road maintenance investment and delivery* NZTA PRIORITY 5
- 11 Ensure effective and efficient co-investment with our partners.
- 12 Explore innovative revenue, pricing and financing approaches that enhance the value delivered by land transport investments.

2013-16

NZTA's shorter-term priorities

Our key areas of focus to achieve ambitious targets against the goals.

2013 →

NZTA's outputs

1 Putting customers at the heart of our business

3 year emphasis of all objectives [SEE PAGE 30](#)

PLANNING THE LAND TRANSPORT NETWORK
output classes

2 Making the most of urban network capacity

3 year emphasis of objective **2** [SEE PAGE 32](#)

PROVIDING ACCESS TO AND USE OF LAND TRANSPORT SYSTEM
output classes

3 Moving more freight on fewer trucks

3 year emphasis of objective **3** [SEE PAGE 34](#)

MANAGING THE STATE HIGHWAY NETWORK
output classes

4 Safe speeds to reduce deaths and serious injuries

3 year emphasis of objectives **4** **8** [SEE PAGE 36](#)

INVESTING IN LAND TRANSPORT
output classes

5 Efficient road maintenance investment and delivery

3 year emphasis of objectives **8** **10** [SEE PAGE 38](#)



GOAL

Integrate one network for customers

Contributes to sector outcomes

Guides NZTA outputs

Desired trends
How will we know we are making progress?

Our objectives
What we are aiming to deliver by 2022

EFFECTIVE
Moves people and freight where they need to go in a timely manner

RESILIENT
Meets future needs and endures shocks

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

- Road safety promotion
- New and improved infrastructure for local roads
- Walking and cycling

SUCCESS INDICATOR*		2009	2012	DESIRED TREND
People movement is more efficient and reliable	% network productivity (vehicle speed and flow on urban networks in Auckland)	NEW	68%	↑ INCREASING
Freight movement is more efficient and reliable	% of travel by high productivity motor vehicles (HPMVs) of total heavy vehicle kilometres travelled	NEW	13%	↑ INCREASING
There is an optimal range of travel and transport choices for each location	% of respondents that consider public transport as a good option for some or all work or study trips in Auckland	14.3%	14.5%	↑ INCREASING

- 1** Integrate land uses and transport networks to shape demand at national, regional and local levels
- 2** Integrate national and local transport networks to support strategic connections and travel choice, with a shorter-term focus on:
NZTA PRIORITY 2 Making the most of urban network capacity
- 3** Improve freight supply chain efficiency, with a shorter-term priority focus on:
NZTA PRIORITY 3 Moving more freight on fewer trucks

*REFER APPENDIX, PAGE 101

New Zealand's transport network will only be truly effective and resilient when customers experience it as fully integrated across modes and locations, and with the surrounding land uses.

Taking a 'one network' approach will help to ensure that the movement of people and freight is efficient and reliable, and that there is an optimal range of travel choices for customers in each location.

Over the next 10 years our work on integrating the network will concentrate on:

1. promoting the careful integration of land use and transport planning so that we don't create unnecessary transport demand
2. working to more closely integrate the national and local components of the transport network so that the customers gain maximum benefit and travel choice
3. improving freight supply chain efficiency.

OBJECTIVE 1

Integrate land uses and transport networks to shape demand at national, regional and local levels

We will work with our partners to more closely integrate the national, regional and local networks with their surrounding land uses.

Results by 2016

Regional land transport and public transport plans are informed by a solid understanding of future demand and make an effective contribution to the development of the 2015-18 NLTP

(Note: this is a shared desired result with local government)

'Greenfields' and 'brownfields' land use developments demonstrate improved integration with local and strategic transport networks

(Note: this is a shared desired result with local government, who take the lead on land use planning)

Milestones for 2013/14

Complete work with the Ministry of Business, Innovation and Employment and the Ministry of Transport on national and regional futures and scenarios and their land transport demand implications

(Note: this is a shared milestone)

Auckland Council and Auckland Transport ensure that cost effective provision of infrastructure is recognised and facilitated by the Auckland Unitary Plan

(Note: this is a shared milestone)

We will work effectively with Auckland Council and Auckland Transport on the planning of infrastructure for brownfield and greenfield development and special housing areas identified through the Auckland Housing Accord

(Note: this is a shared milestone)

We will work with the Canterbury Earthquake Recovery Authority (CERA), Environment Canterbury (ECAN) and Christchurch City Council (CCC) to ensure that cost effective provision of infrastructure is recognised and facilitated by the Christchurch Land Use Recovery Plan

(Note: this is a shared milestone)

OBJECTIVE 2

Integrate national and local transport networks to support strategic connections and travel choice

We approach the land transport network as one system, regardless of the mode or who manages it. We work with other network operators and stakeholders to ensure seamless integration and management of national and local networks. One area of specific focus is on supporting the growth of Auckland to be one of the most liveable cities in the world. We will work closely with our partners to use new technology, information and incentives to optimise the way that networks are used. Over the next three years this work will focus on making the most of urban network capacity.

Results by 2016

Milestones for 2013/14

Priority 2 Making the most of urban network capacity

Network operating plans have been completed for all major urban centres and are being implemented to achieve measurable benefits

(Note: this is a shared desired result with these local authorities)

Network operating plans completed in Auckland, Wellington and Christchurch (including public transport)

Transport operations centres in Auckland, Wellington and Christchurch are consolidated and working efficiently

(Note: this is a shared desired result with these local authorities)

Christchurch Transport Operating Centre fully operational
Wellington Transport Operating Centre operational between Wellington City Council and NZTA, with all councils committed to join

Urban public transport makes a greater contribution to network performance by implementing the public transport reviews that differentiate levels of service and reprioritise public transport resources and investment to where it has greatest impact

(Note: this is a shared desired result with regional councils, public transport operators and territorial local authorities)

Through the implementation of the public transport operating model, public transport activities in Auckland, Wellington and Christchurch are being refocused so that they are making a measurable contribution to improved network capacity utilisation

Develop business case for Christchurch transport interchange and key hubs/spokes

(Note: this is a shared milestone with CERA, ECAN and CCC)

The strategy set out in Auckland's Integrated Transport Programme is given effect in the 2015-18 NLTP

(Note: this is a shared desired result with Auckland Transport)

Initiate investment conversations with Auckland Transport for the 2015-18 NLTP, and specifically for 'one network' transport planning and the programme priorities around the multi-modal east-west corridor, the south-west multi-modal airport rapid transit and the Auckland-Manukau Eastern Transport Initiative

The single national road classification is used to develop an integrated level of service framework for the entire New Zealand road network

*(Note: this is a shared desired result with local government)
(refer to NZTA priority 5)*

A national road classification is successfully completed

*(Note: this is a shared milestone with local government)
(refer to NZTA priority 5)*

Modern, fully integrated ticketing and fares are being implemented in Wellington, Christchurch and main provincial centres

(Note: this is a shared desired result with these local authorities)

Integrated ticketing procurement process commenced in Wellington, and successful implementation of the Auckland Integrated Fare System

(Note: this is a shared milestone with local government)

OBJECTIVE 3

Improve freight supply chain efficiency

We'll continue our work with other network operators, our investment partners, freight owners and freight transport operators, to improve the efficiency of freight supply chains. To help grow our economy there will be a particular focus on moving exports more efficiently from places of production to our international gateways. We'll find efficiency opportunities on the road network and also work to ensure the different parts of New Zealand's freight system are better connected. Our work will ensure better coordination across all the modes and ensure land use and network planning are more integrated. Over the next three years our main focus is on moving more freight on fewer trucks.

Results by 2016

Milestones for 2013/14

Priority **3** Moving more freight on fewer trucks

Enhanced HPMV strategic route availability, including 'first-last mile' access on local roads and 50MAX HPMV access (trucks up to 50 tonnes), delivers tangible productivity gains for operators

(Note: this is a shared desired result with local authorities)

Deliver access to 1500 kilometres on the strategic HPMV freight network

50MAX HPMV network available on 50% of roading network

All HPMV permits for approved routes are processed within five working days

(Note: this is a shared desired result with local authorities)

All HPMV permits for state highways are approved within five working days

Smarter, more comprehensive, enforcement of illegally overloaded trucks encourages operator uptake of HPMV permits

(Note: this is a shared desired result with NZ Police)

Weigh Right Action Plan completed and agreed with key parties involved

The Upper North Island accord is successfully implemented

(Note: this is a shared desired result with KiwiRail, local government, port operators and the freight sector)

Upper North Island freight plan accord is agreed with representatives from across the freight sector

(Note: this is a shared milestone)

Improve access to markets and productivity for major freight routes through targeted investments that are guided by the Upper North Island, Central and South Island freight plans

(Note: this is a shared desired result with KiwiRail, local government, port operators and the freight sector)

South Island and Central New Zealand freight stories completed
National Freight Action Plan agreed with representatives from across the freight sector

(Note: this is a shared milestone)

Progress improved integration of the road, rail, maritime and air networks to improve the efficiency of freight supply chains

(Note: this is a shared desired result with a wide range of transport system organisations and operators)

Long-term strategic freight network planning proposal developed for KiwiRail/NZTA

GOAL

Shape smart transport choices

Contributes to sector outcomes

Guides NZTA outputs and investments

Desired trends
How will we know we are making progress?

Our objectives
What we are aiming to deliver by 2022

EFFICIENT

Delivers the right infrastructure and services to the right level at the best cost

SAFE & RESPONSIBLE

Reduces the harms from transport

- Licensing and regulatory compliance
- Road tolling
- Motor vehicle registry
- Road user charges collection, investigation and enforcement
- Road safety promotion
- Road Policing Programme (NLTF investment, but NZ Police output)
- Sector research
- Refund of fuel excise duty
- Public transport
- Administration of SuperGold cardholder scheme and enhanced public transport concession for SuperGold cardholders
- Walking and cycling

SUCCESS INDICATOR*	2009	2012	DESIRED TREND
Speeds are safe <i>Number of deaths and serious injuries on open roads (80-100km/h)</i>	1577	1353	↓ DECREASING
Roads are used safely <i>Number of deaths and serious injuries in alcohol/drug related crashes (per 100,000 population)</i>	16.3	12.6	↓ DECREASING
Vehicles are safe <i>% of new vehicles with a 5-star rating</i>	51%	71%	↑ INCREASING
Vehicles are more efficient <i>Average petrol and diesel consumption - litres per 100 vehicle kilometres travelled</i>	10.7 PETROL 18.1 DIESEL	10.6 PETROL 18.8 DIESEL	↓ DECREASING

OBJECTIVES 1-3, PLUS

- 4** Embed the Safe System approach to create a forgiving land transport system that accommodates human error and vulnerability, with a shorter-term priority focus on:
NZTA PRIORITY 4 Safe speeds to reduce deaths and serious injuries
- 5** Incentivise and shape safe and efficient travel choices using a customer-focused approach
- 6** Reduce costs for transport users through better regulation and willing compliance

*REFER APPENDIX, PAGE 101

Within a transport network that is fully integrated, customers should be able to make really smart choices about their driving, vehicles, routes and timing.

Smart customers will use the entire network safely and efficiently, which includes smart drivers making sure that their speeds are safe. Smart buyers and operators will choose safe, efficient and environmentally responsible vehicles.

Over the next 10 years our work on shaping smart choices, within one integrated network for customers, will concentrate on:

4. creating a more forgiving land transport system so that 'not-so-smart' decisions do not have to result in death or serious injury
5. assisting customers with making safe and efficient travel choices
6. making smart compliance choices easier and more attractive.

OBJECTIVE 4

Implement the Safe System approach to create a forgiving land transport system that accommodates human error and vulnerability

The Safe System approach is at the core of the government's Safer Journeys road safety strategy to 2020. It recognises that mistakes are inevitable, but deaths and serious injuries from road crashes are not. In a safe system, the performance of roads and roadsides, vehicles, speeds and road use all need to be strengthened to ensure crashes are survivable. We will continue to embed the Safe System approach into our business and across the sector to ensure our decision making frameworks, partnerships with stakeholders and the public deliver safe speeds, safe roads and roadsides, safe vehicles and safe people. Over the next three years our priority focus is on safe speeds.

Results by 2016

Milestones for 2013/14

Priority 4 Safe speeds to reduce deaths and serious injuries

The new national direction and guidance for speed management in New Zealand is widely supported and adopted by road controlling authorities and key agencies

(Note: this is a shared desired result with the Ministry of Transport, NZ Police, local government, ACC and road user groups)

Develop with road safety partners, a new national direction and guidance on speeds that are right for the road, the vehicle and the environment

The New Zealand public is more supportive of a safe system and safe speeds linked to different types of roads, vehicles and environments, as shown in a reduction in mean speeds on high volume undivided open roads

(Note: this is a shared desired result with the Ministry of Transport, NZ Police, local government, ACC and road user groups)

Develop a comprehensive, long-term communication and engagement programme to increase partner, stakeholder and public understanding of, and support for, safe speeds. This will have a strong education focus

The national and regional strategic high volume roads that require changes to enable safe speeds are incorporated in the 2015-18 and future NLTPs within the available funding, leading to a sustained increase in the % of national and regional strategic arterials and state highways with a star rating of 3.5 and above

Develop a speed risk management guide to inform speed interventions across all parts of the road safety system and link application of the guide to investment

Results by 2016

The Safer Journeys 2013-15 Action Plan's 'signature projects' successfully demonstrate the value of the Safe System approach to local communities and transport practitioners

(Note: this is a shared desired result with the Ministry of Transport, ACC, NZ Police and local government)

All relevant NZTA staff fully understand and apply the Safe System approach and key NZTA manuals, processes, decision making frameworks and partnerships support the successful implementation of a safe road system in New Zealand

The seven 'cross sector enabler' actions in the Safer Journeys Action Plan 2013-15 are successfully implemented

(Note: this is a shared desired result with the Ministry of Transport, NZ Police, local government and ACC)

Milestones for 2013/14

A signature project is successfully launched

(Note: this is a shared milestone with ACC, NZ Police and local government)

Relevant NZTA staff and leaders trained in the Safe System approach

Key NZTA manuals, processes and decision making frameworks reviewed and changed to deliver a safe road system

The remaining actions from the 2011/12 Safer Journeys Action Plan are progressed:

- › Implement revised Road Safety Action Planning approach
- › Complete Coromandel demonstration project and ready Maramarua demonstration project for construction
- › Complete and promulgate *High-risk intersection guide*
- › Complete motorcycle licence changes, introduce maximum time licence limits, and child restraint age extension

OBJECTIVE 5

Incentivise and shape safe and efficient travel choices using a customer-focused approach

We will encourage land transport users to make smart choices and adopt best practices in developing driving skills, choosing vehicles and managing commercial drivers. We will look at ways to incentivise users and business to adopt best practices, supported by appropriate regulation, education and information.

Results by 2016

Transport users in key urban areas can readily access information on safe and efficient travel choices

(Note: this is a shared desired result with local government and transport information suppliers)

Targeted and sustainable initiatives to exit the less-safe vehicles from the fleet are successfully implemented

(Note: this is a shared desired result with the Ministry of Transport, NZ Police and ACC)

Blood alcohol concentration limits reflect risk

(Note: this is a shared desired result with the Ministry of Transport and NZ Police)

At least 20 high-risk intersections are improved as per agreed solutions

(Note: this is a shared desired result with local government)

Milestones for 2013/14

Immediate travel time and user information improvement projects are being successfully implemented

(Note: this is a shared milestone with local government)

Options to encourage less-safe vehicles to exit from the fleet are developed, considered and the action plan agreed

(Note: this is a shared milestone with the Ministry of Transport, NZ Police and ACC)

The effectiveness of alcohol interlocks is reviewed and recommendations made for their future use

(Note: this is a shared milestone with the Ministry of Transport)

The '100 highest-risk intersection' programme for state highways and local roads is launched and progressed

OBJECTIVE 6

Reduce costs for transport users through better regulation and willing compliance

We will work with our partners to ensure that complying with regulations is simple and affordable, and to lift behaviour from compliance with the statutory minimum, to best practice. We envisage that the net effect of customers making smarter land transport choices will be a more efficient, effective, responsible and safer land transport network.

Results by 2016

The land transport regulatory reform programme delivers reduced compliance costs for transport users, as part of the government's 'better regulation' programme

(Note: this is a shared desired result with the Ministry of Transport)

There is a marked shift of people who meet their obligations for accessing and using the land transport network on time, and who find it easy to do so

Milestones for 2013/14

The vehicle licensing reform changes are successfully implemented

The 2013/14 Rules Programme is delivered to agreed time, cost and quality standards

Our 'world class regulator' business plan is successfully completed, and the structures and resources are set in place and committed to ensure successful realisation

GOAL

Deliver highway solutions for customers

- **Links to sector outcomes**
- **Guides NZTA outputs and investments**
- **Desired trends How will we know we are making progress?**
- **Our objectives What we are aiming to deliver by 2022**

EFFICIENT
Delivers the right infrastructure and services to the right level at the best cost

SAFE AND RESPONSIBLE
Reduces the harms from transport

- New infrastructure for state highways
- Renewal of state highways
- Maintenance and operation of state highways
- Sector research

- Road tolling
- Public transport
- Road safety promotion
- Road Policing Programme (NLTF investment, but NZ Police output)

SUCCESS INDICATOR*		2009	2012	DESIRED TREND
Highway journeys are safer	<i>Number of deaths and serious injuries in head-on and run-off road crashes on state highways</i>	649	551	↓ DECREASING
Highway journeys are efficient and reliable	<i>Number of resolved state highway closures with a duration of 12 hours or more</i>	151	85	↓ DECREASING
Highways are socially and environmentally responsible	<i>% of compliance with state highway resource consent conditions</i>	NEW	76%	↑ INCREASING

OBJECTIVES 1-6, PLUS

- **7** Grow the resilience of the state highway network
- **8** Deliver consistent levels of customer service that meet current expectations and anticipate future demand
NZTA PRIORITY 4 Safe speeds to reduce deaths and serious injuries
 NZTA PRIORITY 5 Efficient road maintenance investment and delivery
- **9** Plan for and deliver the roads of national significance

*REFER APPENDIX, PAGE 101

State highways are a core element of New Zealand's integrated land transport network, and we will keep working on solutions that assist customers with making smart choices about routes, timing and driving.

For our customers we aim to offer highway journeys that are safe, efficient and reliable. We also work to ensure that state highways are managed in a socially and environmentally responsible manner.

Over the next 10 years, consistent with the one integrated network and smart choices approach, the state highway component will concentrate on the following customer solutions:

7. Improving travel time reliability through greater resilience.
8. More consistent travel experiences on similar types of roads.
9. Delivering the roads of national significance programme.

OBJECTIVE 7

Greater resilience of the state highway network

The resilience of the land transport network and its ability to recover from planned and unexpected events and return to providing the required level of service for customers requires careful planning, investment and management. We will improve our understanding of what resilience means in relation to the state highway network and sharpen our investment and planning tools to ensure we have the resources to address it. We will also consider what resilience means in relation to all roading network assets, services, systems and relationships.

Results by 2016

There is a shared national 'horizontal infrastructure' network investment and management approach to resilience

(Note: this is a shared desired result with other national network operators and local authorities)

Milestones for 2013/14

Operational network resilience policy adopted

Business case for national interventions for natural disasters on the State highway network is completed

A national resilience identification and prioritising programme, which integrates the state highway and local roading networks, is incorporated into the 2015-18 NLTP

The review of our investment prioritisation framework incorporates the new resilience operating policy

OBJECTIVE 8

Deliver consistent levels of customer service that meet current expectations and anticipate future demand

We will work to anticipate, shape and respond to new demands on state highways so we can achieve and maintain the required levels of service over the next 30 years. This means we need to work closely with a range of stakeholders to understand how changes in freight, business, climate and population might affect the service level required for each category of state highway.

We will identify the gaps between the current and desired levels of service and as a first step we will act to close the most critical gaps. Achieving the desired levels of service will involve the use of a wide range of approaches, including further investment and the use of longer-term transport and land-use planning approaches to influence demand on state highways and neighbouring local roads.

Our desired result is seamless and efficient journeys for our state highways customers and enabling them to move between state highways and local roads, and from vehicles to other modes of land transport (such as walking, cycling and public transport), and to airports and ports safely and efficiently. Over the next three years our particular focus is on safe speeds and road maintenance delivery.

Results by 2016

Milestones for 2013/14

Safe speeds reduce deaths and serious injuries (NZTA priority 4)	Refer to the specific priority deliverables and milestones on page 19
Efficient road maintenance investment and delivery (NZTA priority 5)	Refer to the specific priority deliverables and milestones on page 27
The State Highway Asset Management Plan directs the activity on the network to effectively target customer need, optimise asset management and delivers value for money	The State Highways Asset Management Plan reflects a graded differentiated levels of service and realises the targeted cost efficiencies
State highway asset management is refocused on journey time reliability as well as customer service delivery, and achieves a 'step change' in the capability of delivery	The first phase of the 'single supplier' delivery model for asset management is successfully implemented and the supporting internal restructuring is completed

OBJECTIVE 9

Plan for and deliver the roads of national significance (RoNS)

The RoNS programme represents one of New Zealand's biggest ever infrastructure investments, and is a key part of the government's National Infrastructure Plan (refer to page 9) and the Government Policy Statement on Land Transport Funding (refer to page 9). The six RoNS projects are based around New Zealand's five largest population centres. The focus is on moving people and freight between and within these centres more safely and efficiently.

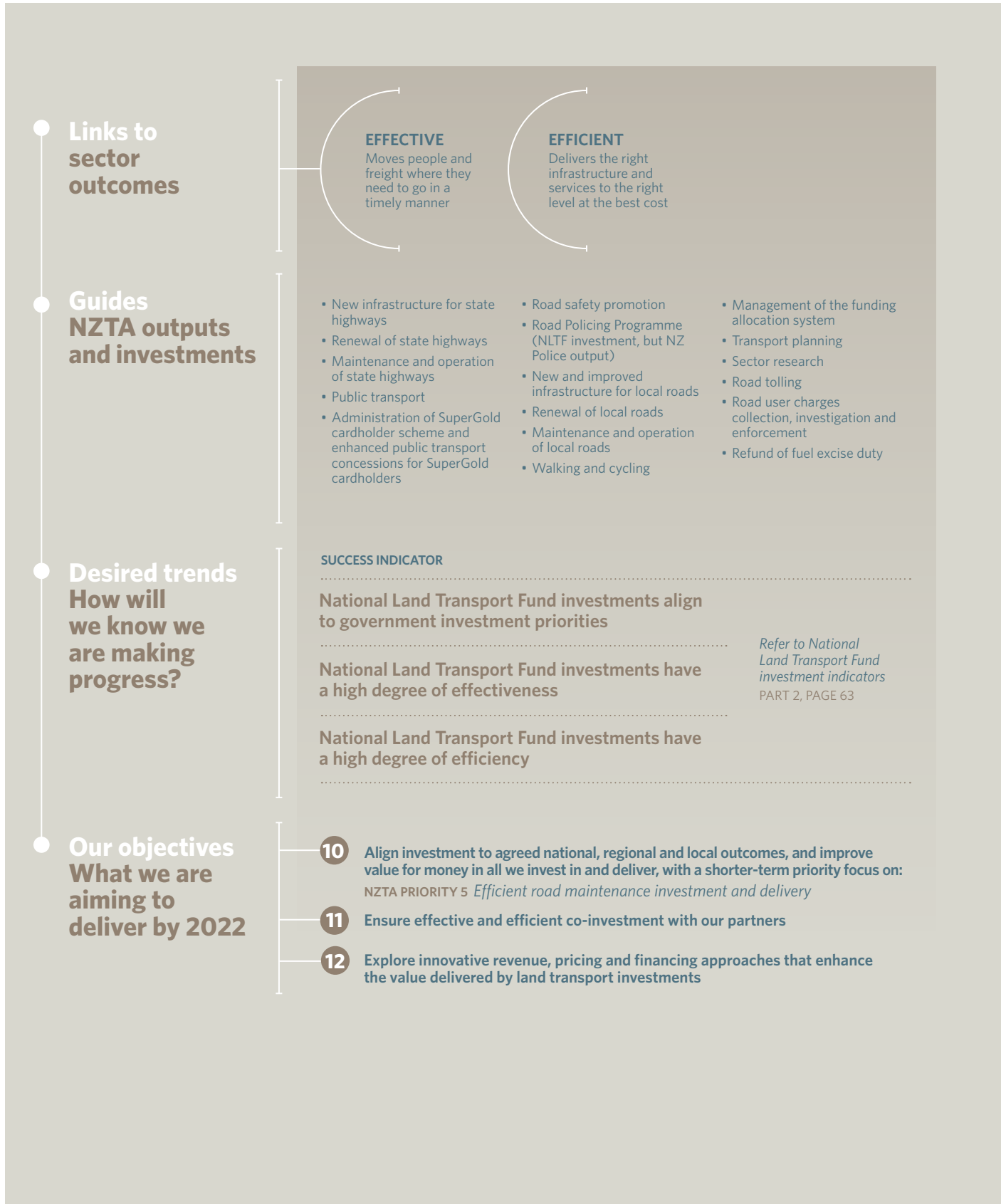
The programme commenced in 2009, and one of the original seven projects (Victoria Park tunnel in Auckland) opened in 2012.

Road of national significance	Milestones for 2013/14	Milestones for 2014/15	Milestones for 2015/16
Puhoi to Wellsford	Puhoi to Warkworth in development	Puhoi to Warkworth in development	Puhoi to Warkworth in development
Western Ring Route (WRR)	WRR under construction including Waterview and Causeway	WRR under construction including Waterview and Causeway	WRR under construction including Waterview and Causeway
Waikato Expressway	Under construction: Rangiriri and Cambridge Ngaruawahia open	Under construction: Cambridge Rangiriri open	Under construction: Huntly, Hamilton and Cambridge
Tauranga Eastern Link	Under construction	Under construction	Under construction
Wellington Northern Corridor	Under construction: MacKays to Peka Peka. Transmission Gully enabling and procurement In design: Basin Reserve improvements Peka Peka to Otaki	Under construction: MacKays to Peka Peka, Transmission Gully Basin Reserve improvements In design: Peka Peka to Otaki Airport to Mt. Victoria Tunnel	Under construction: MacKays to Peka Peka, Transmission Gully Basin Reserve improvements In design: Peka Peka to Otaki Airport to Mt. Victoria Tunnel
<i>Buckle Street</i>	Under construction	Open	-
Christchurch Motorways			
<i>Christchurch Southern Motorway</i>	Stage 2 in design	Stage 2 in design	Stage 2 under construction
<i>Western Corridor</i>	Under construction: Harewood Road to Yaldhurst Road four-laning Sawyers Arms to Wairakei (Harewood) Road four-laning In design: Groynes to Sawyers Arms four-laning Western Belfast Bypass	Under construction: Groynes to Sawyers Arms four-laning Harewood Road to Yaldhurst Road four-laning Complete: Sawyers Arms to Wairakei (Harewood) Road four-laning	Under construction: Western Belfast Bypass Groynes to Sawyers Arms four-laning Harewood Road to Yaldhurst Road four-laning

Note: These milestones reflect the forecast from the NLTF, but rely on the revenue from fuel excise duty and road user charges, which are both dependent on volume. Any changes to available funding may result in retiming of the milestones.

GOAL

Maximise returns for New Zealand



Links to sector outcomes

EFFECTIVE

Moves people and freight where they need to go in a timely manner

EFFICIENT

Delivers the right infrastructure and services to the right level at the best cost

Guides NZTA outputs and investments

- New infrastructure for state highways
- Renewal of state highways
- Maintenance and operation of state highways
- Public transport
- Administration of SuperGold cardholder scheme and enhanced public transport concessions for SuperGold cardholders

- Road safety promotion
- Road Policing Programme (NLTF investment, but NZ Police output)
- New and improved infrastructure for local roads
- Renewal of local roads
- Maintenance and operation of local roads
- Walking and cycling

- Management of the funding allocation system
- Transport planning
- Sector research
- Road tolling
- Road user charges collection, investigation and enforcement
- Refund of fuel excise duty

Desired trends How will we know we are making progress?

SUCCESS INDICATOR

National Land Transport Fund investments align to government investment priorities

National Land Transport Fund investments have a high degree of effectiveness

National Land Transport Fund investments have a high degree of efficiency

Refer to National Land Transport Fund investment indicators PART 2, PAGE 63

Our objectives What we are aiming to deliver by 2022

- 10** Align investment to agreed national, regional and local outcomes, and improve value for money in all we invest in and deliver, with a shorter-term priority focus on: NZTA PRIORITY 5 *Efficient road maintenance investment and delivery*
- 11** Ensure effective and efficient co-investment with our partners
- 12** Explore innovative revenue, pricing and financing approaches that enhance the value delivered by land transport investments

Transport networks require ongoing investment in renewals, maintenance, operations and enhancements in order to remain effective, efficient, safe and resilient.

The National Land Transport Fund is the most significant source of investment in land transport networks and services, and our task is to ensure that this investment delivers the maximum possible returns to transport users and a thriving New Zealand.

As we develop and fund the National Land Transport Programme and Road Policing Programme, we will remain focused on:

10. aligning investment to agreed outcomes and improving value for money
11. ensuring effective and efficient co-investment with our partners
12. exploring ways to enhance the value delivered by land transport investments.

OBJECTIVE 10

Align investment to agreed national, regional and local outcomes, and improve value for money in all we invest in and deliver

We will work with our co-investment partners to develop and implement National Land Transport Programmes that maximise returns against the impacts sought by central and local government. We will seek to realise these outcomes through a planning and investing for outcomes business model. Our value for money investment focus emphasises the need for integrated planning, partnering for investment and enhancing investment performance.

Over the next three years our particular value for money focus is on road maintenance investment and delivery.

Results by 2016

Milestones for 2013/14

Priority 5 Efficient road maintenance investment and delivery

All roads are differentiated by form and type to allow national consistency in investment priorities, in all work programmes in the NLTP

Develop a one network classification tool and determine associated levels of service
Align the understanding of the one network classification system with RCA partners and its use in investment decisions
Alignment on the Investment process

Collaboration and information sharing increases between all road controlling authorities (RCAs)

Conversations with and between all RCAs and business cases for the 4-5 early adopters

Asset management plans (AMPs) are developed and implemented consistently throughout New Zealand

Differences in AMPs identified and remedial measures explored

Asset management planning and procurement policy and guidance is aligned to promote value for money

Streamlined procurement practices in place
The long-term programme of investment is clarified

Results by 2016**Milestones for 2013/14**

The 2012-15 NLTP is successfully delivered using quality procurement approaches

Adjust 2012-15 NLTP investment to match revenue to deliver maximum returns

The recovery of Canterbury's transport networks will be substantially complete and the NLTP contributions to Canterbury's recovery will achieve best value for money delivery according to programme

(Note: this is a shared desired result with other central government agencies, local authorities and contractors)

Deliver Stronger Christchurch Infrastructure Rebuild Team (SCIRT) value and report

(Note: this is a shared milestone with CERA and CCC)

Complete the prioritised 2013/14 Canterbury rebuild work programme on time and within budget

(Note: this is a shared milestone with CERA, SCIRT and CCC)

Further versions of the Auckland Integrated Transport Programme incorporate the aligned funding pathways for Auckland and reflects the shared future direction for transport in the city

(Note: this is a shared desired result with Auckland Council, Auckland Transport and the Ministry of Transport)

Contribute to the completion of the second version of the Auckland Integrated Transport Programme

The 2015-18 GPS provides effective guidance for NLTF investment

(Note: the GPS is a Ministry of Transport responsibility)

We provide effective support to the development of the 2015-18 GPS, drawing on lessons learnt from the 2012-15 NLTP development and delivery

OBJECTIVE 11**Ensure effective and efficient co-investment with our partners**

We will apply the value for money assessments of cost-efficiency and cost-effectiveness to proposed land transport investments we make with our partners. This ensures that we are co-investing in the right things in the right ways at the right time at the right price. Following this investment discipline means that we have a National Land Transport Programme that maximises net national benefit and delivers transport solutions that support a thriving New Zealand.

Results by 2016**Milestones for 2013/14**

The reviewed funding assistance rate system is implemented in the 2015-18 NLTP

Complete the review of the funding assistance rate system

The 2015-18 NLTP is developed using a 'planning and investment for outcomes' approach that maximises returns on NLTF investment by increasing the focus on benefit optimisation and realisation

Ongoing implementation of the planning and investing for outcomes approach via an integrated focused programme of work

Identify and document key national and regional network issues

Improved critical tools, processes and systems, including (but not limited to) assessment framework, business case approach, benefits realisation model, shared evidence base and review of the *Economic evaluation manual*

Effective public transport network design and management delivers progressively increased returns per NLTF \$ invested

(Note: this is a shared desired result with regional councils, local authorities and public transport operators)

Implementation of the public transport operating model is progressing to plan in major urban areas as networks are reviewed and new contracts established with service operators

(Note: this is a shared milestone with local government)

OBJECTIVE 12

Explore innovative revenue, pricing and financing approaches that enhance the value delivered by land transport investments

We will support the Ministry of Transport to investigate additional mechanisms for raising revenue for land transport investments. This should include financing options that supplement the current 'pay as you go' system.

Results by 2016

The NZTA's tolling and public private partnership (PPP) policies are successfully applied to new state highway road development where appropriate

Milestones for 2013/14

Develop and assess procurement of Transmission Gully as a PPP
Assess business case for procurement of Puhoi to Wellsford as a PPP

Priority

Why is this a priority for 2013-16?

1

Putting customers at the heart of our business

1. We are committed to making it easier for significantly more people to transact with us online. Our contribution to the government's Better Public Services Result Area 10 (for 70% of vehicle licences to be renewed online by 2017) is ambitious and requires a step change in how we deliver online services for customers.
2. We need to better understand our customers' attitudes, needs and behaviours if we are to successfully deliver our goals. For example, understanding and responding to peoples' experiences of congestion, supply chains and access to employment and markets will help us invest where it matters most.
3. We require a joined-up view of our customers in order to deliver effective and efficient services.
4. Our aim is to move from an organisation that offers a set of discrete services to customers to offering a complete package of transport solutions.

We aim to deliver services where our customers are, using the channels they use. We also aim to be responsive to customers, recognising the power of positive influence in shaping behaviour. Our channel shift approach is proving effective in achieving these objectives, demonstrated here by our Twitter presence and new channel strategy.



A TWITTER CONVERSATION...

'Also, NZTA, my address exists. I have received mail to it, but I can't register my car to it?!'

@NZTA_NEWS

'We may be able to help you with this. Please call us on 0800 108 809'

Key results by 2016

We better understand customer preferences for service provision and are adapting our business models to reflect this

Every NZTA team identifies and uses customer feedback as a fundamental feature of how they operate

More services are available through digital channels

Milestones for 2013/14

Customer capability training rolled out across the NZTA

Customer insight techniques are being applied in all relevant business improvement projects

Work programme underway to make it easier for customers to transact online

Success indicator

Average Gallup score for staff who identify their team uses feedback from customers to improve our services

2012 BASELINE 2016 TARGET

3.68 **4.05**

DESIRED TREND
Increasing



'Well, Twitter bots work out! NZTA found me, contacted me and sorted the whole thing out manually over the phone. Kudos where it's due.'

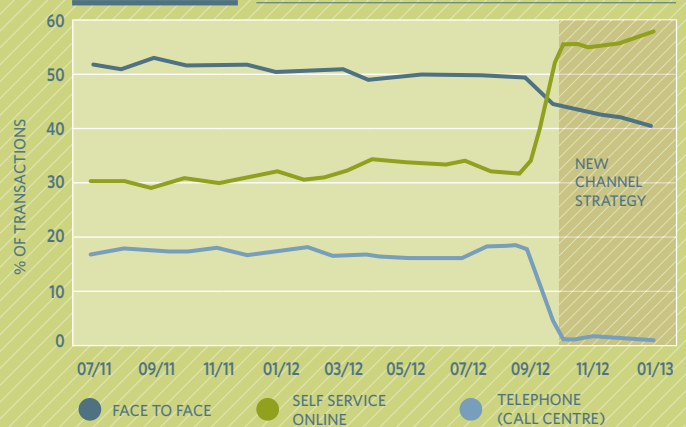
@NZTA_NEWS

TWEETS
3,345

FOLLOWING
389

FOLLOWERS
182

EXAMPLE: IMPACT OF CHANNEL STRATEGY CHANGES ON VEHICLE LICENSING EXEMPTIONS



Priority

Why is this a priority for 2013-16?

2

Making the most of urban network capacity

1. Better use of existing transport capacity is a key aim in the 2012 Government Policy Statement on Land Transport Funding.
2. We also need to continue to build on the momentum of the roads of national significance and public transport improvements.
3. Current initiatives around traffic operations centres, network optimisation plans and the implementation of the public transport operating model should be brought together as an integrated package to enhance transport efficiency and lower the cost of transportation.

We increasingly monitor and manage urban networks through joint traffic operations centres. We do this to ensure traffic flows smoothly and any incidents are resolved as quickly as possible. Such activities form part of our broader programme to make the most of our urban network capacity.



Key results by 2016

Network operating plans have been completed for all major urban centres and are being implemented to achieve measurable benefits

(Note: this is a shared desired result with these local authorities)

Transport operations centres in Auckland, Wellington and Christchurch are consolidated and working efficiently

(Note: this is a shared desired result with these local authorities)

Urban public transport makes a greater contribution to network performance by implementing the public transport reviews that differentiate levels of service and reprioritise public transport resources and investment to where it has greatest impact

(Note: this is a shared desired result with regional councils, public transport operators and territorial local authorities)

Milestones for 2013/14

Network operating plans completed in Auckland, Wellington and Christchurch (including public transport)

Christchurch Transport Operating Centre is fully operational

Wellington Transport Operating Centre is operational between Wellington City Council and the NZTA, with all councils committed to join

Through the implementation of the public transport operating model, public transport activities in Auckland, Wellington and Christchurch are being refocused so that they are making a measurable contribution to improved network capacity utilisation

Develop business case for Christchurch transport interchange and key hubs/spokes

(Note: shared result with CERA, ECAN and CCC)

Success indicator

Network productivity
(Vehicle speed and flow on urban networks in Auckland)

2012 BASELINE

2016 TARGET

68%

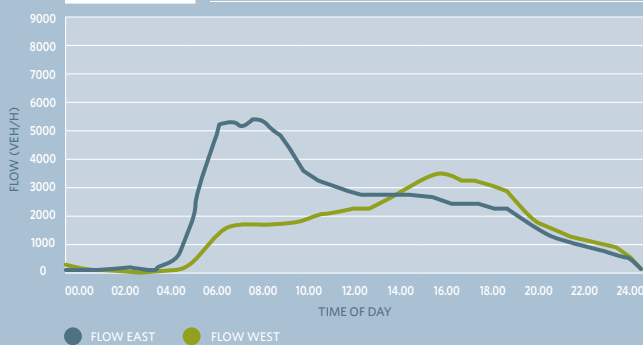
68-70%

Value add of achieving target

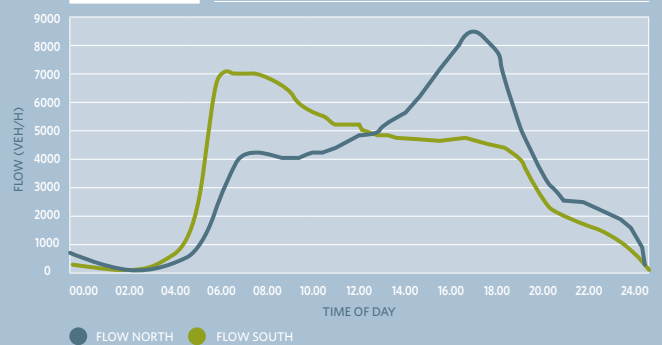
\$60 million
in social and operating cost savings by 30 June 2016

FLOW PROFILES FOR KEY LOCATIONS ON AUCKLAND'S MOTORWAY NETWORK

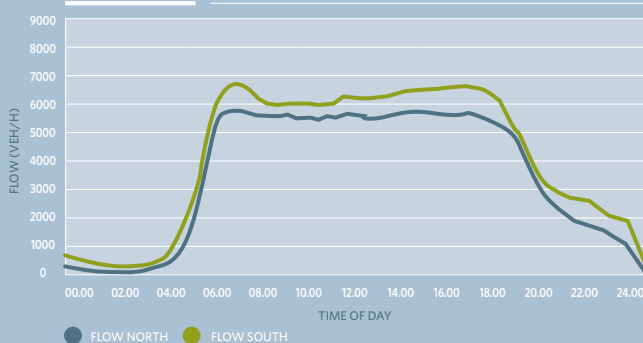
GREAT NORTH ROAD DAILY FLOW PROFILE



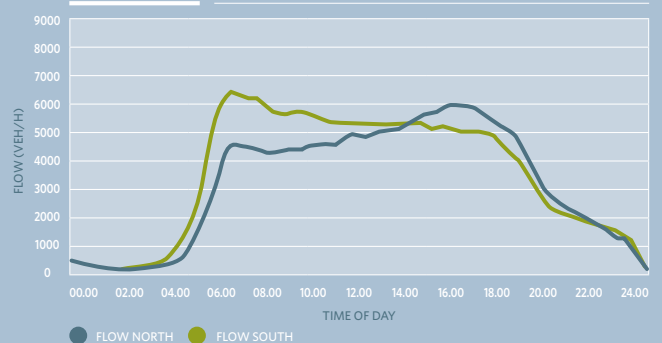
SAINT MARY'S BAY DAILY FLOW PROFILE



NEWMARKET VIADUCT DAILY FLOW PROFILE



CENTRAL MOTORWAY JUNCTION DAILY FLOW PROFILE



Priority

Why is this a priority for 2013-16?

3

Moving more freight on fewer trucks

1. The government's objective is to lift transport sector productivity to enhance our export trade and New Zealand's economic growth, and the accelerated uptake of high productivity motor vehicles (HPMV) was highlighted as a priority in the Productivity Commission's International Freight Transport Services Inquiry.
2. Analysis shows that a national HPMV network could also substantially reduce costs, with an estimated 20% decrease in truck trips using over-mass permits and a 14% decrease in overdimension permits.
3. Increasing HPMV use is therefore a key priority for the freight sector (identified as one of seven critical issues that would reduce the cost of doing business in New Zealand in the upper North Island freight story).
4. Additionally there are significant safety benefits from reducing the number of truck trips on our roads, while still moving the same amount of freight.
5. Freight forecasts are predicting a 100% growth in the volume of freight moved by 2040. To move this increase in freight will either require more trucks and truck trips or the alternative is to move more freight on every truck trip where this is feasible.

Moving more freight with fewer truck trips has economic, safety and environmental benefits. High productivity motor vehicles (HPMV) can achieve these gains because they are between 14% (for longer loads) and 20% (for heavier loads) more efficient. Increasing the use of HPMVs will continue alongside our broader work to improve freight supply chain efficiency.



Key results by 2016

Enhanced HPMV strategic route availability, including 'first-last mile' access on local roads and 50MAX HPMV access (trucks up to 50 tonnes), delivers tangible productivity gains for operators

(Note: this is a shared desired result with local authorities)

All HPMV permits for approved routes are processed within five working days

(Note: this is a shared desired result with local authorities)

Smarter, more comprehensive, enforcement of illegally overloaded trucks encourages operator uptake of HPMV permits

(Note: this is a shared desired result with NZ Police)

Milestones for 2013/14

Deliver access to 1500 kilometres on the strategic HPMV freight network

50MAX HPMV network available on 50% of road network

All HPMV permits for state highways are approved within five working days

Weigh Right Action Plan completed and agreed with key parties involved

Success indicator

% of travel by high productivity motor vehicle (HPMV) as a total of heavy vehicle kilometres travelled

2012 BASELINE (ESTIMATE)

2016 TARGET

13%

30%

Value add of achieving target

\$150-195 million

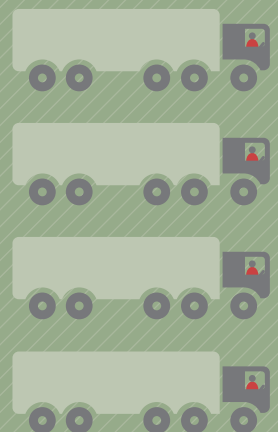
cost savings to freight sector by 30 June 2016



BEFORE HPMV



AFTER HPMV



Priority

Why is this a priority for 2013-16?

4

Safe speeds to reduce deaths and serious injuries

1. Strategic direction from the government confirms the need to achieve safe speeds. Safer Journeys: New Zealand's road safety strategy to 2020 adopts the Safe System approach. Safe speeds is at the heart of a safe road system because speed is the energy in the system – if we manage that well, crashes become survivable. Impact speed plays a big part in our high road toll. Even when speed doesn't contribute to a crash occurring, it always influences whether people walk away or are carried away. The Safer Journeys 2013-15 Action Plan focuses on four strategic actions that are intended to be transformational and ambitious, ensuring safe speeds is one of those.
2. Small changes in speeds make a big difference – a 1% reduction in mean open road speeds delivers a 4% reduction in fatalities. Such a reduction in average open road speeds in 2012 would have meant eight more people alive today, and 32 fewer hospitalisations and ACC claims for serious injuries.
3. New Zealand's speeds, speed limits and enforced tolerances are not well aligned with road design, our vehicle fleet or the environment. Diversity in speed limits across the country is increasing, creating challenges for drivers and riders.
4. This complex, multi-dimensional issue needs clear, sustained direction and leadership in order to make better progress. The NZTA, with its established sector and local government partnerships, is well placed to lead this with the Ministry of Transport.

The Safe System approach aims to create a forgiving road system based on these four principles:

PEOPLE MAKE MISTAKES

We need to recognise that people make mistakes and some crashes are inevitable.

PEOPLE ARE VULNERABLE

Our bodies have a limited ability to withstand crash forces without being seriously injured or killed.

WE NEED TO SHARE RESPONSIBILITY

System designers and people who use the roads must all share responsibility for creating a road system where crash forces do not result in death or serious injury.

WE NEED TO STRENGTHEN ALL PARTS OF THE SYSTEM

We need to improve the safety of all parts of the system – roads and roadsides, speeds, vehicles, and road use so that if one part fails, other parts will still protect the people involved.

Key results by 2016

The new national direction and guidance for speed management in New Zealand is widely supported and adopted by road controlling authorities and key agencies

(Note: this is a shared desired result with the Ministry of Transport, NZ Police, local government, ACC and road user groups)

The New Zealand public is more supportive of a safe system and safe speeds linked to different types of roads, vehicles and environments, as shown in a reduction in mean speeds on high volume undivided open roads

(Note: this is a shared desired result with the Ministry of Transport, NZ Police, local government, ACC and road user groups)

The national and regional strategic high volume roads that require changes to enable safe speeds are incorporated in the 2015-18 and future NLTPs within the available funding, leading to a sustained increase in the percentage of national and regional strategic arterials and state highways with a star rating of 3.5 and above

Milestones for 2013/14

Develop with road safety partners, a new national direction and guidance on speeds that are right for the road, the vehicle and the environment

Develop a comprehensive, long-term communication and engagement programme to increase partner, stakeholder and public understanding of, and support for, safe speeds. This will have a strong education focus

Develop a speed risk management guide to inform speed interventions across all parts of the road safety system and link application of the guide to investment

Success indicator

Number of deaths and serious injuries on open (80-100km/h) roads

2012 BASELINE 2016 TARGET

1,353 1,107

Value add of achieving target

\$650 million
in social cost savings by 30 June 2016



Priority

Why is this a priority for 2013-16?

5

Efficient road maintenance investment and delivery

1. Growth in the size of the network and the changing nature of the network (use of technology such as variable message signs) is putting pressure on maintenance spending and increasing the focus on managing the whole of life costs of the asset. Inflation and rising costs of key inputs (petroleum-based products) are creating additional cost pressures.
2. In a funding constrained environment, we need to pursue greater value for money through improving the efficiency of investment in roads.
3. In order to achieve this the Road Maintenance Task Force recommendations and the State Highways Maintenance and Operations review work identified the need to change existing business models.
4. The taskforce also identified the importance of service level differentiation and the need to prioritise investment and the adoption of advanced asset management practices in order to gain greater efficiencies and effectiveness of renewal, maintenance and operations expenditure.

The Road Efficiency Group (REG) is a joint Local Government NZ and NZTA partnership which is implementing the recommendations of the Road Maintenance Task Force.

Cross sector teams have been set up to progress the initiatives which will be substantially finalised by the end of this year. The teams are focusing on:

- road classification – to provide consistency across local roads and state highways
- better asset management – to demonstrate best practice planning and advice
- collaborating with road controlling authorities – to share knowledge and align practices.

The working teams will deliver learnings and best practice tools for road controlling authorities to utilise in the future. This will help local authorities and NZTA to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country.

Key results by 2016

All roads are differentiated by form and type to allow national consistency in investment priorities, in all work programmes in the NLTP

Culture of collaboration and information sharing exists between all road controlling authorities (RCAs)

Asset management plans developed and implemented consistently throughout New Zealand

Asset management planning and procurement policy and guidance is aligned to promote value for money

Milestones for 2013/14

Develop a one network classification tool and determine associated levels of service

Align the understanding of the one network classification system with RCA partners and its use in investment decisions

Alignment on the investment process

Conversations with and between all RCAs, and business cases for the 4-5 early adopters

Differences in asset management plans identified and remedial measures explored

Streamlined procurement practices in place

The long-term programme of investment is clarified

Success indicator

Programmed savings in maintenance and operations activity in 2012-15 NLTP

2012 BASELINE

2016 TARGET

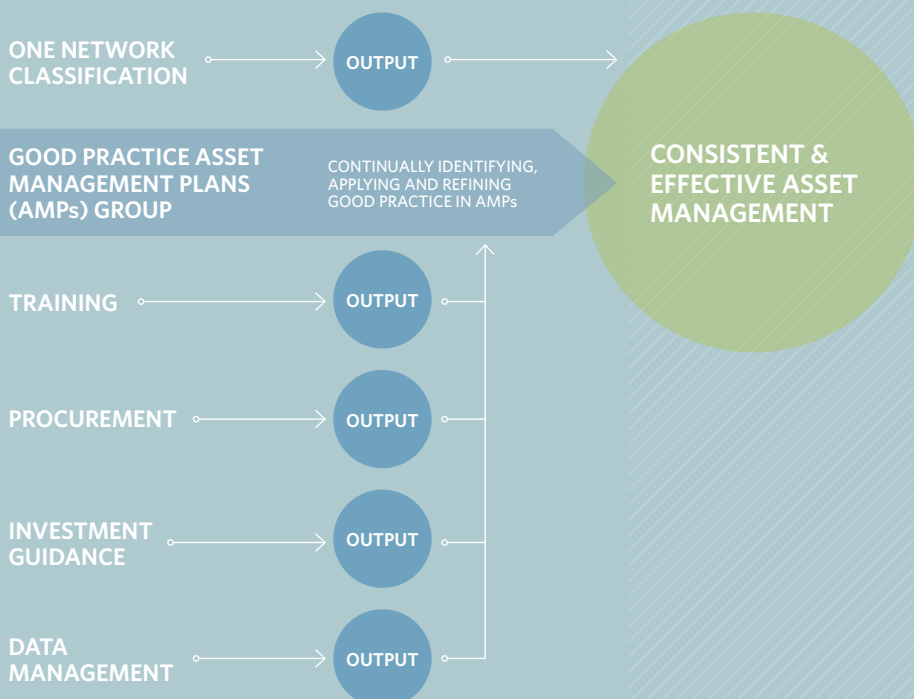
\$0

\$210 million

DESIRED TREND
Increasing



RELATIONSHIP BETWEEN REG WORKSTREAMS



A RESPONSIBLE, COLLABORATIVE AND AGILE ORGANISATION

In order to deliver our desired targets and results effectively and efficiently, we continue to invest in our organisational capacity, capability and external relationships. At the same time we apply the highest standards to our decision-making and behaviour.

RESPONSIBLE DECISION-MAKING AND BEHAVIOURS

At the NZTA, we actively apply a set of principles to guide our decision-making as well as our day-to-day operations.

1. **ENGAGEMENT** - we look to our local communities, stakeholders and partners for advice and input when formulating options and solutions, and incorporate that advice to the greatest practical extent.
2. **ENVIRONMENTAL AND SOCIAL RESPONSIBILITY** - we promote an accessible and safe transport system that contributes positively to New Zealand's economic, social and environmental welfare, and we are committed to acting in an environmentally and socially responsible manner.
3. **PROCUREMENT** - we consider 'whole of life' value for money, keeping in mind fair competition and encourage competitive and efficient markets.
4. **RISK MANAGEMENT** - we are focused on minimising threats and maximising opportunities to effectively and efficiently achieve our objectives.
5. **SCRUTINY AND TRANSPARENCY** - we ensure that when making investment decisions, the same level of scrutiny is given to our own activities as we give to those proposed by approved organisations, such as councils and other investment partners.
6. **VALUE FOR MONEY** - we are focused on continually improving the quality of our services, while also lifting the benefits to New Zealand of every dollar spent and invested.

WE HAVE THREE BEHAVIOURS THAT WE UPHOLD AS AN ORGANISATION

WE
SIGN
UP

Committing to where we're going and putting our hearts into what we do. We get engaged every day.

WE
TEAM
UP

Enjoying the people we work with and appreciating their talents. We find solutions for our customers with joined-up thinking.

WE
FRONT
UP

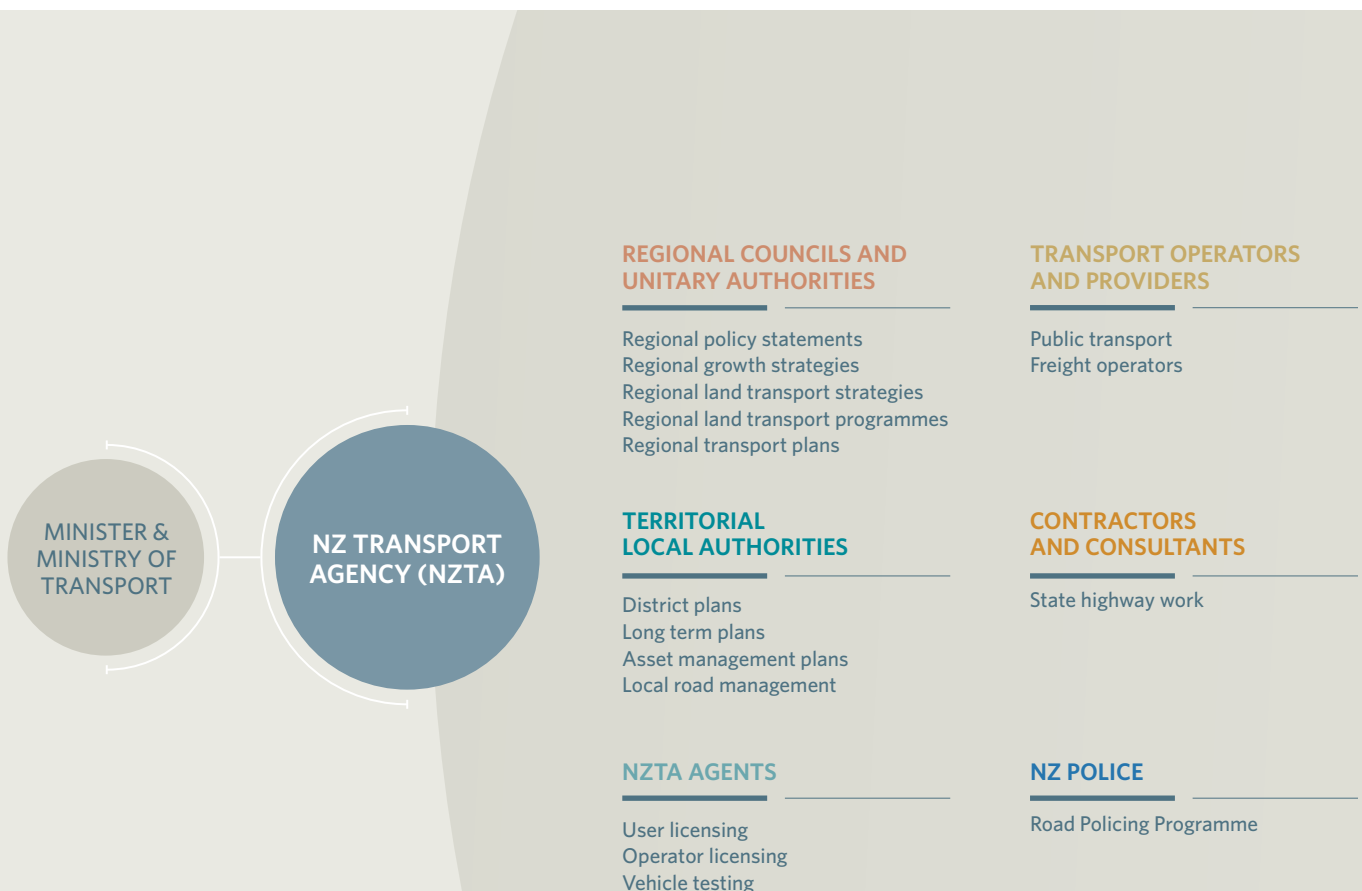
Courageously tackling the difficult issues. We know our value and bring it to our work with confidence and good judgement.

COLLABORATION

To provide the best possible services to our customers and stakeholders, we work very closely with a wide range of organisations, including:

- **the private sector** to deliver projects and infrastructure, and view this relationship as an enduring partnership around a shared commitment to value for money, achieving desired outcomes and delivering on our shared social and environmental responsibility aims
- **the Ministry of Transport**, which is responsible for leading the development of strategic transport policy and monitoring performance of the sector's Crown entities
- **regional councils and territorial local authorities**, who are major co-investors in land transport infrastructure and services to transport users, and who have the lead accountability for land use planning in New Zealand
- **the NZ Police**, who we fund and work with to provide a range of road policing services
- **service delivery agents** who through their 4000 outlets support us to process motor vehicle and driver licensing transactions, and we work closely with these agents to provide driver testing services, issuing driver and transport service licences, undertaking vehicle certification, registration and licensing activities, and collecting road user charges and other road revenue.

WHO WE WORK WITH



Towards greater agility

– our capability development focus

We are building an organisation that responds efficiently and effectively to change, whether it is a change in operating environments or a change in the needs of our customers.

Change will require new things of us – new ways of working with each other, our customers and stakeholders, using new or enhanced capabilities and responding with more agility and flexibility to increasingly complex issues.

We want to continue to be known as a top performing government agency, with outstanding, agile people and systems creating transport solutions that add real value to the lives of all New Zealanders, their businesses and communities.



Success indicators

HARNESS KNOWLEDGE

STAKEHOLDERS' SATISFACTION WITH THE MANNER IN WHICH NZTA MAKES DECISIONS

Harnessing knowledge should improve the quality of our decision making, which can be measured from a stakeholder perspective

INTERNAL STAFF PERCEPTION SURVEY ON THE ACCURACY AND ACCESSIBILITY OF OUR INFORMATION

Knowledge within an organisation needs to be accurate, relevant and accessible – all of which this will measure

CREATE VALUE WITH OTHERS

QUALITY OF CURRENT STAKEHOLDER RELATIONSHIP

Creating value with others includes working with others to achieve joint outcomes. This is reliant on high quality stakeholder relationships

CUSTOMER SERVICE SATISFACTION

If we create value with others we can expect to see an improvement in customer satisfaction

CONTINUOUSLY IMPROVE AND INNOVATE

% OF TOTAL ORGANISATIONAL RESOURCES ALLOCATED TO INNOVATION AND CONTINUOUS IMPROVEMENT

This measure looks at the effort we expend on continuous improvement and innovation in relation to our business as usual activity

STAFF ENGAGEMENT SURVEY

Engaged employees are more likely to be creative and suggest or develop ways to improve business processes. This is the raw material of continuous improvement and innovation

Results by 2016

Harnessing all our available knowledge to help deliver transport solutions

Develop the skills to extract value from information through completing our information management strategy initiatives and embedding the people skills and expertise to leverage our knowledge in our people strategy
Actively develop asset management strategy, roadmap and solutions, support enterprise solutions, implement the prioritised projects and complete business continuity

Collaborate closely across the sector and with customers to create additional value

An increase in engagement with partners to achieve joint 'partnership' outcomes as measured by the stakeholders survey
Achieve an increased focus on health, safety, wellbeing and best practice in the workplace
Complete the four transport sector shared services projects
Embed the principles and capability development aims for 'creating value with others' in our leadership development and workforce planning

Commit strongly to continuous improvement and innovation

Increase in staff commitment to quality work and opportunities to learn and grow, as measured by the Gallup staff engagement survey
Develop a people strategy that supports capability growth around innovation and continuous improvement
Further build awareness and robust process around information security and privacy
Develop a robust and fit for purpose business continuity planning framework

STATEMENT OF RESPONSIBILITY

The information contained in the *Statement of intent* for the NZ Transport Agency has been prepared in accordance with the Crown Entities Act 2004.

In signing this statement, we acknowledge our responsibility for the information contained in this *Statement of intent*, and confirm the appropriateness of the assumptions underlying the prospective operations and financial statements of the NZ Transport Agency.

Signed on behalf of the Board:



Chris Moller
Chair

19 JUNE 2013



Patsy Reddy
Deputy Chair

19 JUNE 2013

Countersigned by:



Geoff Dangerfield
Chief Executive Officer

19 JUNE 2013



Paul Helm
Chief Financial Officer

19 JUNE 2013

PART 2 STATEMENT OF FORECAST SERVICE AND INVESTMENT PERFORMANCE

46 KEY OPERATING ASSUMPTIONS

49 HOW OUR OUTPUTS CONTRIBUTE TO OUR LONG-TERM GOALS

50 TYPES OF PERFORMANCE MEASURE

51 NZ TRANSPORT AGENCY STATEMENT OF FORECAST SERVICE PERFORMANCE

This statement of forecast service performance sets out the outputs (goods and services) the NZTA and the NLTF are funded to provide and the standards against which we assess our service delivery and investment performance. It is divided into the following four categories:

- **PLANNING THE LAND TRANSPORT NETWORK:** influencing transport planning and partnering with approved organisations to invest in the transport system for desired outcomes.
- **PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM:** regulatory activities associated with accessing the road network and ensuring compliance with access conditions of use.
- **MANAGING THE STATE HIGHWAY NETWORK:** development and management of the state highway network.
- **INVESTING IN LAND TRANSPORT:** partnering with approved organisations to invest in the transport system for desired outcomes.

63 NATIONAL LAND TRANSPORT FUND INVESTMENT INDICATORS

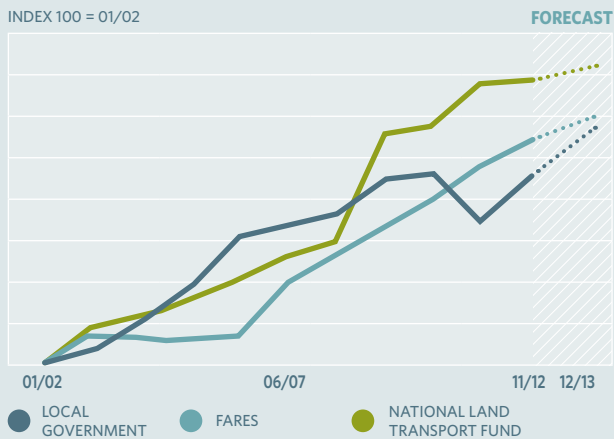


Key operating assumptions

This section states the key assumptions under which the NZTA operates and key decisions are made. Assumptions fall into two categories - those that affect funding and those that affect procurement. All assumptions reflect a going concern basis.

All revenue inflows to increase

FUNDING THE NATIONAL LAND TRANSPORT PROGRAMMES



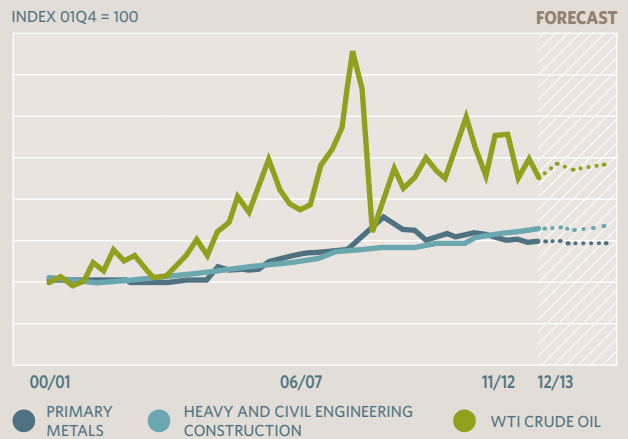
LOCAL GOVERNMENT FINANCES TO IMPROVE. Improving revenues and continued fiscal prudence is expected to improve the financial standing of local government and its ability to co-invest.

FARE REVENUES TO RISE. Increases in public transport patronage that result from capacity improvements are expected to support growth in revenues.

NLTF REVENUES TO INCREASE. Improving levels of economic activity to support more travel and higher revenues. Should the economy not perform to expectations there is a risk that actual revenues could be lower than previously forecast.

Strong dollar and industry competition to keep input prices in check

NZ\$ COMMODITY AND SERVICES PRICES



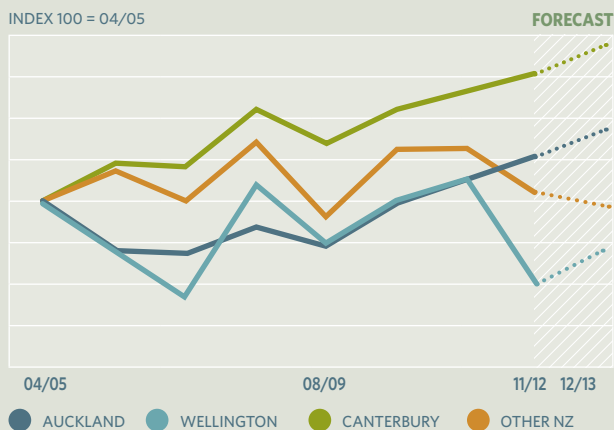
CONSTRUCTION COST PRESSURES TO RISE. Increasing activity in Canterbury and more demand for housing is expected to increase construction costs.

US\$ STEEL PRICES TO INCREASE. Patchy, but improving global economic outlook and a strong NZ\$ is expected to limit domestic price increases.

OIL PRICES TO CONTINUE TO INCREASE. NZ\$ strength expected to absorb increases in US\$ crude oil prices.

Consumer confidence to boost demand for personal travel

VEHICLE KILOMETRES TRAVELLED BY PASSENGER VEHICLES - STATE HIGHWAYS



TRAVEL DEMAND IN AUCKLAND TO INCREASE. Contained NZ\$ oil prices, improving economic growth and major capacity improvements are expected to further boost travel demand by passenger vehicles.

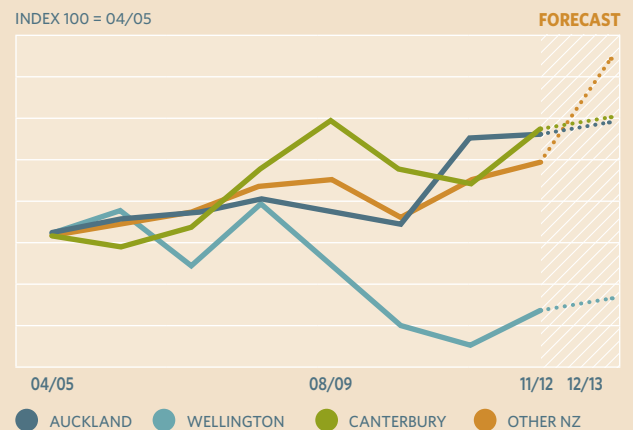
TRAVEL DEMAND IN WELLINGTON TO RISE. Contained NZ\$ oil prices and improving economic growth in the region is expected to reverse the recent declining trend.

PASSENGER VEHICLE TRAVEL IN CANTERBURY TO INCREASE. Recovery efforts in the region are expected to support increases in passenger vehicle demand.

TRAVEL IN OTHER PARTS OF NEW ZEALAND TO FALL. Slower income growth in some regions is expected to adversely affect passenger vehicle travel.

Freight demand to be boosted by economic growth and better regulations

VEHICLE KILOMETRES TRAVELLED BY HEAVY VEHICLES - STATE HIGHWAYS



HEAVY VEHICLE TRAVEL IN AUCKLAND TO RISE. Expanding network capacity, increasing HPMV uptake, improving economic growth and more bus services on the Northern Busway are expected to increase heavy vehicle travel.

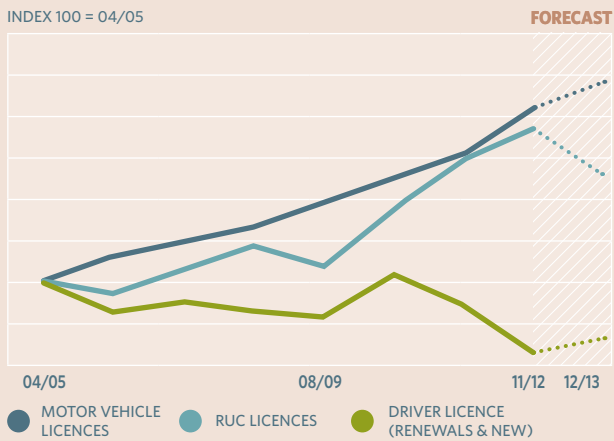
FREIGHT ACTIVITY IN WELLINGTON TO INCREASE. Improving regional economic growth prospects and increasing HMPV uptake is expected to support freight activity.

HEAVY VEHICLE TRAVEL IN CANTERBURY TO RISE. Rebounding economic activity, more trade through the Port of Lyttelton and other capacity improvements are expected to support heavy vehicle travel.

HEAVY VEHICLE TRAVEL IN OTHER PARTS OF NEW ZEALAND TO INCREASE. Growth in primary production is expected to boost freight activity in selected regions.

Vehicle and driver licence transaction volumes to increase

LICENCES TRANSACTION VOLUMES



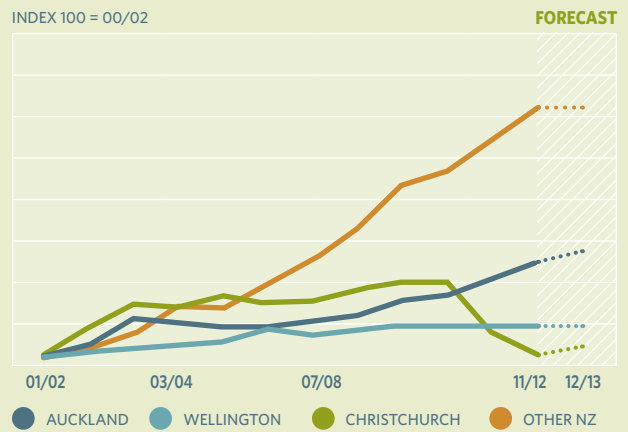
MOTOR VEHICLE REGISTRATION TRANSACTIONS TO INCREASE. Increases in the size of the vehicle fleet and a continuing trend to short-term licences (as a result of declining affordability) are expected to boost transaction volumes.

ROAD USER CHARGES (RUC) TRANSACTIONS TO DECREASE. Recent changes to the road user charges system are expected to lead to a drop-off in transaction volumes.

DRIVER LICENCE TRANSACTIONS TO GROW. Increases in learner licence applications are expected to partially reverse a recent declining trend.

Public transport patronage to increase

PATRONAGE ON PUBLIC TRANSPORT



PATRONAGE IN AUCKLAND TO INCREASE. Significant investment in network capacity (both infrastructure and services) is expected to boost rail and bus patronage numbers.

PATRONAGE IN WELLINGTON TO INCREASE. Upgrades to the network (both infrastructure and services) are expected to result in slightly more people using this long established public transport system.

PATRONAGE IN CHRISTCHURCH TO INCREASE. Alterations to the network (including new destinations) that lead to changes in patterns of use are expected to increase public transport patronage.

PATRONAGE IN THE REST OF NEW ZEALAND TO REMAIN FLAT. Investment in network capacity will be focused on the main population centres.

How our outputs contribute to our long-term goals

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

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

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

KEY



Major/primary contribution



Minor/secondary contribution

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

Types of performance measure

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

FUNCTION	TYPES OF MEASURES		
	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
Planning the land transport network	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 › approved organisations
Providing access to and use of the land transport system	Unit transactional costs: › driver licensing › motor vehicle registration › road user charges › road tolling % of transactions completed digitally › 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
Managing the state highway network	% of activities delivered to agreed standards and timeframes › new and improved infrastructure for state highways – National War Memorial Park Buckle Street undergrounding project – 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 › suppliers › network information customers
Investing in land transport	% of activities that are delivered to agreed standards and timeframes › renewal of local roads › maintenance and operation of local roads	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*) Kilometres of new footpaths, cycle lanes and cycle paths* Number of passengers using urban public transport services (bus, train and ferry)* Public transport boardings per NLTF \$ invested on public transport services (including track access charges) Pavement integrity of the sealed network Cost of renewals (excluding emergency reinstatement) per network lane km (total cost) Surface condition of the sealed network Average number of days taken to deliver % of activities delivered to agreed standards and timeframes % of target audience aware of road user safety messages Road Policing Programme (refer to page 60) Cost of emergency reinstatement Cost of maintaining and operating the network (excluding emergency work) per network lane km (total cost)	

*key operating assumptions

NZ TRANSPORT AGENCY STATEMENT OF FORECAST SERVICE PERFORMANCE

The NZTA statement of forecast service performance sets out the outputs (goods and services) the NZTA is funded to provide and the standards against which we assess our service delivery. It is divided into the following four categories:

- 52 PLANNING THE LAND TRANSPORT NETWORK:** influencing transport planning and partnering with approved organisations to invest in the transport system for desired outcomes.
- 54 PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM:** regulatory activities associated with accessing the road network and ensuring compliance with access conditions of use.
- 57 MANAGING THE STATE HIGHWAY NETWORK:** development and management of the state highway network.
- 59 INVESTING IN LAND TRANSPORT:** partnering with approved organisations to invest in the transport system for desired outcomes.

PLANNING THE LAND TRANSPORT NETWORK

OUTPUT CLASS	Management of the funding allocation system				Transport planning			
WHAT DOES THE NZTA DO?	This output class covers the NZTA's internal operating costs to: <ul style="list-style-type: none"> › efficiently develop and manage the National Land Transport Programme 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 framework › encourage closer integration of stakeholders' land use and transport planning › 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 the national Road Policing Programme. 				Under this output class the NZTA invests in and influences: <ul style="list-style-type: none"> › 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 or for the state highway network. 			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT 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 the management of the National Land Transport Fund investments. The NZTA seeks to invest in outputs that maximise the overall benefit for the NZ transport system.				Transport planning helps deliver on our long-term goal of integrating one network for customers. It makes a contribution to a number of 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.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?*	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
Total cost of managing the funding allocation system as a % of NLTP expenditure ¹	<1%	≤1%	≤1%	≤1%				
% of operational assurance activities completed ²	100%	100%	100%	100%				
% of activities that are delivered to agreed standards and timeframes ^{3,6}	97%	100%	100%	100%	>90%	>90%	>90%	>90%
Average number of days taken to deliver ⁴	19	25	25	25				
% customer satisfaction ⁵	New measure	>55%	>60%	>65%				
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	29,775	30,775	30,775	31,375	14,430	15,990	15,980	17,300
Expenditure	29,775	30,775	30,775	31,375	14,430	15,990	15,980	17,300
Net surplus (deficit)	0	0	0	0	0	0	0	0
SCOPE OF OUTPUT CLASS	Managing, monitoring and advising transport sector stakeholders on the allocation of National Land Transport Funds, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.				Developing plans for improving the transport network and systems, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

PLANNING THE LAND TRANSPORT NETWORK

continued

OUTPUT CLASS	Sector research			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA purchases research to improve knowledge and investment decisions made in the land transport system. The research programme informs NZTA policies and guidelines and is made available to transport stakeholders and the general public.			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Sector research contributes to the goal integrating one network and the other transport goals indirectly, enabling better delivery of all other outputs. The NZTA seeks to manage this output to maximise the overall benefit derived from all other outputs.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?°	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
% of activities that are delivered to agreed standards and timeframes ⁷	90%	100%	100%	100%
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	4,400	5,600	5,000	5,100
Expenditure	4,400	5,600	5,000	5,100
Net surplus (deficit)	0	0	0	0
SCOPE OF OUTPUT CLASS	Research and transport sector capability development, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM

OUTPUT CLASS	Licensing and regulatory compliance				Road tolling			
WHAT DOES THE NZTA DO?	<p>Under this output class, the NZTA:</p> <ul style="list-style-type: none"> › develops land transport rules (under contract to the Ministry of Transport) › develops clear and well-understood standards for: <ul style="list-style-type: none"> - vehicle inspection and certification - transport service licensing operations - rail safety operations - vocational driver licensing › monitors and audits compliance with regulatory standards/requirements for vehicles, drivers, operators and transport systems providers › provides ministerial services › provides driver and transport operator (including rail operator) licensing and testing services › maintains the driver licence register › issues overdimension permits › administers drug and alcohol assessments of drivers and operators (funded by the Ministry of Health) › provides licensing information and advice. <p>Funding is from fees and charges and from the crown, including from crown contracts for specific activities.</p>				<p>Under this output class, the NZTA:</p> <ul style="list-style-type: none"> › manages the tolling road side and back office systems, customer interfaces and payment channels › undertakes the collection of toll revenues and disbursements to the crown › provides information and advice to the public. 			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	<p>Licensing and regulatory compliance primarily contributes to the long-term goal of shaping smart transport choices. This is achieved by reducing deaths and serious injuries through regulation of drivers, vehicles and commercial operators and the associated influence on drivers and driver behaviour. Secondary contribution is also derived from regulatory activities through support of efficiency of freight supply chains, vehicle fleet efficiency and reducing adverse environmental effects.</p>				<p>Road tolling supports the long-term goal of shaping smart transport choices. This is achieved by supporting the impacts provided from new infrastructure investment through the collection of fees for infrastructure investment repayments.</p>			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
Unit transaction costs ^{8,15}	\$36.46	\$36-\$39	\$36-\$39	\$36-\$39	\$0.65	\$0.65-\$0.70	\$0.65-\$0.70	\$0.65-\$0.75
% of transactions completed online ^{9,16}	14%	>16%	>18%	>25%	60%	>65%	>70%	>75%
% accuracy of registers ¹⁰	96%	>93%	>93%	>93%				
% revenue compliance					>96%	>96%	>96%	>98%
% of operational assurance activities completed ⁴	100%	100%	100%	100%				
% of activities that are delivered to agreed standards and timeframes ¹²	92%	>90%	>90%	>90%				
Number of products/services delivered or processed ³	948k	826k-1,090k	834k-1,020k	845k-1,033k	6.1m	6.0m-6.5m	6.0m-6.5m	6.5m-7.0m
% customer satisfaction ¹⁴	New measure	>73%	>75%	>80%				
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	75,971	72,973	72,386	72,386	5,753	5,696	5,735	5,735
Expenditure	69,683	74,634	72,196	71,593	5,971	5,763	5,763	5,763
Net surplus (deficit)	6,288	(1,661)	190	793	(218)	(67)	(28)	(28)
SCOPE OF OUTPUT CLASS	<p>Purchase of land transport regulatory implementation services, specialist land transport enforcement services, and licensing services, including driver licensing.</p> <p>Purpose of vote transport appropriation limited to ministerial servicing by NZ Transport Agency.</p>				<p>Collection of road tolling charges and enforcement activities to recover road tolling payment evasion.</p>			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM

continued

OUTPUT CLASS	Motor vehicle registry				Road user charges collection, investigation and enforcement			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA: <ul style="list-style-type: none"> > operates the motor vehicle register (MVR) > delivers motor vehicle registration and licensing services > undertakes the collection and refund of registration and licensing revenue, which is paid to the National Land Transport Fund > provides information and advice to the public. 				Under this output class, the NZTA: <ul style="list-style-type: none"> > collects, through the provision of licences for diesel vehicles, and refunds road user charges (RUC) which is paid to the National Land Transport Fund > investigates evasion of RUC and enforces payment > provides information and advice to the public. 			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Motor vehicle registry services contribute to the long-term goal of shaping smart transport choices. This is achieved by reducing deaths and serious injuries from road crashes, more transport mode choices and reducing adverse environmental effects, through first registration of vehicles into the NZ fleet. At first registration vehicle safety and environmental standards have to be met before the vehicle can be licensed for access to the road network.				Road user charges collection, investigation and enforcement contributes to the long-term goal of shaping smart transport choices through revenue collection for the NLTP and therefore supports NZTA investment in the land transport system.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?°	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
Unit transaction costs	\$5.53	\$5.50-\$6.00	\$5.50-\$5.80	\$5.50-\$5.70	\$6.13	\$5.80-\$6.50	\$5.80-\$6.40	\$5.80-\$6.30
% of transactions completed online ^{17,20}	22%	>25%	>35%	>45%	47%	>50%	>50%	>55%
% accuracy of registers ¹⁸	95%	>95%	>95%	>95%				
% revenue compliance	99%	≥98%	≥98%	≥98%				
Number of products/services delivered or processed ²¹	9.1m	8.8m-9.8m	9.0m-9.9m	9.1m-10.0m	2.5m	2.5m-2.7m	2.5m-2.7m	2.5m-2.7m
% customer satisfaction ¹⁹	New measure	>95%	>95%	>95%				
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	53,715	53,700	51,000	50,700	17,715	17,046	17,628	17,569
Expenditure	52,215	52,000	52,300	52,200	17,715	17,046	17,628	17,569
Net surplus (deficit)	1,500	1,700	(1,300)	(1,500)	0	0	0	0
SCOPE OF OUTPUT CLASS	Registration and licensing of motor vehicles, the collection and refund of motor vehicle registration and licensing revenue, and the operation of the motor vehicle register.				Collection and refund of road user charges, and the investigation and enforcement of evasion of road user charges.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM

continued

OUTPUT CLASS	Refund of fuel excise duty			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA records, refunds and accounts for fuel excise duty refund applications.			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Refund of excise duty is an NZTA function performed on behalf of the Ministry of Transport as an adjunct to collection of fuel excise duty (FED), and as provided for under the Land Transport Management Act 2003. This output makes no direct contribution to the NZTA's desired goals.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
Average number of days taken to deliver ²²	11	10	10	10
Number of products/services delivered or processed ²³	29,394	29k-31k	29k-31k	29k-31k
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	429	429	429	429
Expenditure	429	429	429	429
Net surplus (deficit)	0	0	0	0
SCOPE OF OUTPUT CLASS	Receipt and processing of applications for, and the refunding of, fuel excise duty.			

* Full output class financials are set out in part 3

^o Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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MANAGING THE STATE HIGHWAY NETWORK

OUTPUT CLASS	New and improved infrastructure for state highways				Renewals of state highways			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA manages and invests in state highway network infrastructure to reduce the number and severity of crashes and improve the time and reliability of travel between destinations connected by the network. The NZTA does this in a socially and environmentally responsible way.				Under this output class, the NZTA manages and invests 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 OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	New and improved infrastructure for state highways helps deliver on our long-term goal of delivering highway solutions for customers through contributing to more efficient freight supply chains, a resilient and secure transport network, easing of severe urban congestion, as well as helping to reduce deaths and serious injuries from road crashes. This is achieved through capital investment in the state highway network.				Renewal of state highways helps deliver on our long-term goal of delivering highway solutions for customers through 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 established local road network asset condition is sustained by an ongoing capital investment programme.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
% of activities that are delivered to agreed standards and timeframes ^{24, 26}	>80%	>90%	>90%	>90%	>90%	>90%	>90%	>90%
› National War Memorial Park: Buckle Street undergrounding project	New	100%	100%	100%				
› Construction of passing opportunities on State Highway 2 between Napier and Gisborne	New	100%	100%	100%				
Safe stopping: % of travel on network above skid threshold ²⁷					98%	≥98%	≥98%	≥98%
Network resilience: % of rutting >20mm over state highway network ²⁸					1%	<2%	<2.5%	<3%
% customer satisfaction ²⁵	New measure	>50%	>55%	>60%				
HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?	See NLTF investment indicators page 63				See NLTF investment indicators page 63			
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	897,550	1,094,200	1,253,240	1,245,275	187,900	222,000	227,000	225,900
Expenditure	958,000	1,159,000	1,317,000	1,320,000	187,900	222,000	227,000	225,900
Net surplus (deficit)	(60,450)	(64,800)	(63,760)	(74,725)	0	0	0	0
SCOPE OF OUTPUT CLASS	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 of for Napier to Gisborne passing lanes is limited to the investigation, design and implementation of passing opportunities on State Highway 2 between the two cities.				Renewal work on the state highway network, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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MANAGING THE STATE HIGHWAY NETWORK

continued

OUTPUT CLASS	Maintenance and operation of state highways			
WHAT DOES THE NZTA DO?	Under this output class the NZTA: <ul style="list-style-type: none"> › operates the state highway network to ensure customers are aware of conditions before they travel and when they do travel that it is safe and reliable › maintains the road and the roadside to ensure it is in as safe a condition as possible to travel on › maintains the state highway network to ensure it continues to provide a reliable travel journey. 			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Maintenance of state highway infrastructure helps deliver on our long-term goal of delivering highway solutions for customers by ensuring that the impact that the established network has on the transport system is sustained. Sound management of maintenance activities and of 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.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
% of activities that are delivered to agreed standards and timeframes ²⁹	>90%	>90%	>90%	>90%
Safe stopping: % of travel on network above skid threshold ³⁰	98%	≥98%	≥98%	≥98%
Smooth ride: % of travel on network classed as smooth ³¹	97%	≥97%	≥97%	≥97%
Availability of state highway network: % of unplanned road closures resolved within 12 hours ³²	>80%	90%	90%	90%
% customer satisfaction ³³	New measure	45%	45%	45%
HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?	See NLTF investment indicators page 63			
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	353,664	312,944	335,944	345,944
Expenditure	353,565	312,865	335,865	345,865
Net surplus (deficit)	99	79	79	79
SCOPE OF OUTPUT CLASS	Activities that manage, maintain and operate state highway infrastructure, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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INVESTING IN LAND TRANSPORT

OUTPUT CLASS	Public transport				Administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA invests, in conjunction with investment from approved organisations, in the renewal and improvement of road and ferry infrastructure to support public transport services, including bus lanes, bus bays, public transport facilities (eg terminals, park and ride facilities and public transport technology - including delivering the national integrated ticketing programme). Rail infrastructure is generally excluded from this activity class as the intention is to fund this outside the National Land Transport Fund.				Under the first output class (administration of the SuperGold cardholders' scheme), the NZTA and regional councils administer the SuperGold cardholders scheme. Under the second output class (enhanced public transport concessions for SuperGold cardholders) the NZTA provides funding to regional councils for the provision of enhanced public transport concessions for SuperGold cardholders. Both outputs are funded as specific projects by the Crown. The NZTA manages the scheme on behalf of the Ministry of Transport. The local authorities participating in the scheme are mostly (but not all) regional councils. All are referred to here as 'regional councils'.			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Public transport primarily contributes to the long-term goal of maximising return for New Zealand through providing more mode choices, easing urban congestion and the reduction in adverse environmental effects. Public transport has secondary contributions to better use of existing transport system capacity, resilience and security. It can also contribute to reducing deaths and serious injury from road crashes. These contributions are supported by administration of the SuperGold cardholders scheme and enhanced public transport concessions for SuperGold cardholders.				SuperGold cardholders concessionary fares scheme the long-term goal of maximising return for New Zealand through by providing more transport mode choice for the elderly and improving the utilisation of public transport capacity during off-peak hours.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?°	2012/13 estimated actual [¶]	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
Average number of days to deliver	See management of the funding allocation system (MOFAS) for service delivery performance measures. See the appendix for the investment indicators the NZTA monitors.				17	20	20	20
% of activities that are delivered to agreed standards and timeframes ³⁴					100%	100%	100%	100%
HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?	See NLTF investment indicators page 63				See NLTF investment indicators page 63			
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	299,000	316,000	310,000	342,800	22,850	24,000	26,000	18,000
Expenditure	299,000	316,000	310,000	342,800	22,850	24,000	26,000	18,000
Net surplus (deficit) [†]	0	0	0	0	0	0	0	0
SCOPE OF OUTPUT CLASS	Renewal and improvement of infrastructure to support public transport and non-commercial public transport services are authorised under section 9 (3) and (4) of the Land Transport Management Act 2003. Non-commercial public transport services, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.				Administration of the scheme to provide enhanced public transport concessions for SuperGold cardholders. Providing enhanced public transport concessions for SuperGold cardholders.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

Also see management of the funding allocation system (MOFAS) for service delivery performance measures (page 52).

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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INVESTING IN LAND TRANSPORT *continued*

OUTPUT CLASS	Road safety promotion				Road Policing Programme			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA manages and invests in activities that contribute to the safe, efficient and effective use of land transport networks and services including road user advertising, education and information initiatives that contribute to the high and medium priority areas of the Safer Journeys strategy.				The NZTA prepares the Road Policing Programme and recommends it to the Minister of Transport for approval. The NZTA also monitors and reports on delivery of the programme, as designated by the chief executive of the Ministry of Transport. The Road Policing Programme is funded through Vote Police but the investment source is the National Land Transport Fund.			
HOW DOES THIS OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Road safety promotion's primary contribution to the long-term goals of shaping smart transport choices and maximising return 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.				The Road Policing Programme contributes the long-term goal of maximising return for New Zealand through a reduction in deaths and serious injuries from road crashes, by enforcing the law applying to road users. This output has a secondary contribution, through the protection of the road asset (again by enforcing the law); to more efficient freight supply chains and the resilience and security of the transport network.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?°	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
% of activities that are delivered to agreed standards and timeframes ³⁵	100%	100%	100%	100%	See management of the funding allocation system (MOFAS) for service delivery performance measures.			
% of target audience aware of road user safety messages ³⁶	73%	≥70%	≥70%	≥70%				
HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?	See NLTF investment indicators page 63				See NLTF investment indicators page 63			
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	30,800	32,100	31,900	33,700	The Road Policing Programme is part of the NLTF. For detailed financials see Vote Police.			
Expenditure	30,800	32,100	31,900	33,700				
Net surplus (deficit)	0	0	0	0				
SCOPE OF OUTPUT CLASS	Managing, monitoring and advising transport sector stakeholders on the allocation of National Land Transport Funds, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.				Developing plans for improving the transport network and systems, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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INVESTING IN LAND TRANSPORT *continued*

OUTPUT CLASS	New and improved infrastructure for local roads				Renewal of local roads			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA invests, in conjunction with investment from approved organisations, in local road improvements including new roads, seal extensions, new traffic management facilities and replacement of bridges and other structures.				Under this output class, the NZTA invests, 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 OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	New and improved infrastructure for local roads primarily contributes to the long-term goal of maximising return for New Zealand by improving the efficiency of freight supply chains, increasing the resilience and security of the local road network, the easing of severe congestion, and consequently reducing deaths and serious injuries from road crashes, through provision of new network infrastructure.				Renewal of local road infrastructure primarily contributes to the long-term goal of maximising return for New Zealand by maintaining the resilience and security of the whole road network efficiency of freight supply chains and the easing of severe congestion, by ensuring that the established local road network asset condition is sustained by an ongoing capital investment programme.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE? ^o	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
% of activities that are delivered to agreed standards and timeframes › reinstatement of local roads in Canterbury	See management of the funding allocation system (MOFAS) for service delivery performance measures.				100%	100%	100%	100%
					See management of the funding allocation system (MOFAS) for service delivery performance measures.			
HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?	See NLTF investment indicators page 63				See NLTF investment indicators page 63			
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	150,000	160,000	165,000	191,000	212,000	246,000	246,000	262,500
Expenditure	150,000	160,000	165,000	191,000	212,000	246,000	246,000	262,500
Net surplus (deficit)	0	0	0	0	0	0	0	0
SCOPE OF OUTPUT CLASS	Management and delivery of improvement of local roads, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.				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 NZTA under relevant legislation.			

* Full output class financials are set out in part 3

^o Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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INVESTING IN LAND TRANSPORT *continued*

OUTPUT CLASS	Maintenance and operation of local roads				Walking and cycling			
WHAT DOES THE NZTA DO?	Under this output class, the NZTA invests, in conjunction with investment from approved organisations, in the routine maintenance and operation of local roading infrastructure, including the maintenance of pavements, structures, drains, the environment, traffic services, cycle paths, level crossings and the emergency reinstatement of roads.				Under this output class, the NZTA invests 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, facilities for crossing roads, shelters and bicycle 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 OUTPUT CONTRIBUTE TO DESIRED TRANSPORT GOALS?	Maintenance of local road infrastructure contributes to the long-term goal of maximising return for New Zealand. It helps ensure that the impacts the established network has on the transport system are sustained. Sound management of maintenance activities and of the operation of the network have a broad impact including 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, by ensuring that surface condition standards are maintained and traffic flow and incidences are effectively managed.				Walking and cycling infrastructure to the long-term goal of maximising return for New Zealand 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 reduction in deaths and injury from road crashes.			
HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target	2012/13 estimated actual	2013/14 target	2014/15 target	2015/16 target
	See management of the funding allocation system (MOFAS) for service delivery performance measures.				See management of the funding allocation system (MOFAS) for service delivery performance measures.			
HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE?	See NLTF investment indicators page 63				See NLTF investment indicators page 63			
HOW IS THE MONEY SPENT?*	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Income	284,000	289,000	293,000	306,000	12,000	20,000	20,000	20,600
Expenditure	284,000	289,000	293,000	306,000	12,000	20,000	20,000	20,600
Net surplus (deficit)	0	0	0	0	0	0	0	0
SCOPE OF OUTPUT CLASS	Management and operation of existing local road infrastructure, as authorised under section 9 (3) and (4) of the Land Transport Management Act 2003.				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.			

* Full output class financials are set out in part 3

° Refer to Appendix (page 101) for measurement details

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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NATIONAL LAND TRANSPORT FUND INVESTMENT INDICATORS

Maximising return for New Zealand - investing in land transport

To ensure that the NZTA continues to prudently invest National Land Transport Fund (NLTF) funds, in output classes where our approved organisations partners deliver the goods and services, we monitor a range of investment indicators. These indicators help us to tell the story of our investment performance and complement the performance measures contained within the MOFAS output class.

64 NATIONAL LAND TRANSPORT FUND - SPECIAL FUNDING INDICATORS

65 NATIONAL LAND TRANSPORT PROGRAMME - INVESTMENT INDICATORS

NATIONAL LAND TRANSPORT FUND – SPECIAL FUNDING INDICATORS

OUTPUT CLASS	Search and rescue*			
Investment indicator	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
% activities delivered to agreed standards and timeframes	100%	100%	100%	100%

OUTPUT CLASS	Road Policing Programme**	
Investment indicator	Last actual	Desired trend 2012-15
High-risk drivers		
% of disqualified drivers detected driving	12% (2009)	Decrease
Number of disqualified or unlicensed drivers involved in fatal/serious crashes	180 (Dec 2011)	Decrease
Young drivers		
Number of drivers on graduated driver licences at fault in fatal/serious crashes	255 (2011)	Decrease
% of youth who believe who they will be stopped for non alcohol/speed traffic offences	42% (2012)	Increase
Motorcycling		
% of motorcycles in crashes without a current warrant of fitness (WoF)	26% (Dec 2011)	Decrease
Alcohol/drug impaired driving		
% of people surveyed think there is a high probability of being stopped at a compulsory breath test checkpoint	52% (2012)	Increase
% of people surveyed think there is a high probability of being tested for drugs	New measure	-
Speed		
% of vehicles exceeding posted speed limits(50 km/h & 100 km/h)	25% (100 km/h) 2012 53% (50 km/h) 2012	Decrease
% of people surveyed who believe there is a high probability of being detected speeding	55% (2012)	Increase
Traffic management		
Compliance with the road user charges regime	New	Increase
'Post-incident' availability of state highway network	New	Increase

* Search and rescue includes: search and rescue activity coordination and rescue and recreational boating activities

** Road safety measures have been focused around the high priority areas in the Safer Journeys strategy

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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NATIONAL LAND TRANSPORT PROGRAMME INVESTMENT INDICATORS

PUBLIC TRANSPORT

OUTPUT CLASS	Public Transport			
	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Investment indicator				
Generic: number of passengers using urban public transport services (bus, train and ferry) °	132m-138m	141m-147m	148m-154m	2015/16 forecast dependent on development of NLTP
Public transport boardings per NLTF \$ invested on public transport services (including track access charges)	\$0.50-\$0.52	\$0.51-\$0.53	\$0.53-\$0.56	
Fare revenue as a % of total expenditure*	45%	>47%	>47%	

ACTIVE MODES OF TRANSPORT

OUTPUT CLASS	Walking and cycling			
	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Investment indicator				
Kilometres of new footpaths, cycle lanes and cycle paths °	126km	120km-200km	120km-200km	2015/16 forecast dependent on development of NLTP

* The number of PT boardings per NLTF \$ invested is a measure of yield on public transport from NLTF investment.

° Key operating assumption

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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NATIONAL LAND TRANSPORT PROGRAMME *continued*

ROADING NETWORK

OUTPUT CLASS	New and improved infrastructure for local roads				New and improved infrastructure for state highways			
	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Investment indicator								
Length of road reconstruction and new roads completed (lane km) ^o	149km	120km -200km	120km-200 km	2015/16 forecast dependent on development of NLTP	38km	40km-50km	40 km-50km	2015/16 forecast dependent on development of NLTP
Length of bridge replacements (lane km) ^o	1.2km	1.0km -1.5km	1.0 km -1.5 km		3.4km	3.5 km-4.0km	3.5 km-4.0km	

OUTPUT CLASS	Renewal of local roads				Renewal of state highways			
	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Investment indicator								
% of sealed network resurfaced (based on road length in lane km) ^o	7.3%	6-8%	6-8%	2015/16 forecast dependent on development of NLTP	11%	11%	11%	2015/16 forecast dependent on development of NLTP
% of network rehabilitated (based on road length in lane km) ^o	1.1%	1-2%	1-2%		1.6%	1.0-2.0%	1.0-2.0%	
% of unsealed network metalled (based on road length in centreline km) ^o	32%	20-35%	20-35%		NA	NA	NA	
Pavement integrity of the sealed network	≥94%	≥94%	≥94%		≥94%	≥94%	≥94%	
Surface condition of the sealed network	≥97%	≥97%	≥97%		≥97%	≥97%	≥97%	
Cost of renewals (excluding emergency reinstatement) per network lane km (total cost) [†]	\$3,016	\$2,800-\$3,300	\$2,800-\$3,400		\$8,835	\$8,000-\$9,000	\$8,000-\$9,300	

OUTPUT CLASS	Maintenance and operation of local roads				Maintenance and operation of state highways			
	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast	2012/13 Estimate	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Investment indicator								
Smooth ride - % of travel on smooth roads	≥86%	≥86%	≥86%	2015/16 forecast dependent on development of NLTP	≥98%	≥98%	≥98%	2015/16 forecast dependent on development of NLTP
Cost of emergency reinstatement	\$90m	\$90m	\$90m		\$70m	\$70m	\$70m	
Cost of maintaining and operating the network (excluding emergency work) per network lane km (total cost) [†]	\$2,470	\$2,400-\$2,700	\$2,400-\$2,800		\$11,481	\$11,000-\$12,000	\$11,000-\$12,300	

[†]Cost of renewal and maintenance and operations for local roads reflects the full cost of the activity including an average FAR rate of 50%.

^o Key operating assumption

KEY	VALUE FOR MONEY	SERVICE QUALITY	CUSTOMER SATISFACTION
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PART 3 STATEMENTS OF FORECAST FINANCIAL PERFORMANCE

The prospective financial statements set out the forecast financial position and operations of the NZ Transport Agency for the period 2013-16.

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NZ TRANSPORT AGENCY

Overview

We have budgeted revenue of \$9.3 billion for 2013-16 to fund:

- investment in land transport – \$8.7 billion which includes our investment in the state highway network and funding we provide to approved organisations for the delivery of services. We will be investing \$4.4 billion in new capital across the state highway network as well as maintaining our assets with \$946.8 million of expenditure.
- NZTA operating activities – \$825.5 million which includes activities that the NZTA is accountable for and delivers inhouse or contracts out.

FUNDING SOURCES AND EXPENDITURE 2013-16

FUNDING SOURCES			OPERATING AND CAPITAL EXPENDITURE						
			Investment in land transport			NZTA operating activities			
			PLANNING & INVESTING IN LAND TRANSPORT	MANAGING THE STATE HIGHWAY NETWORK	SPECIFIC CROWN PROJECTS	PLANNING & INVESTING IN LAND TRANSPORT	ACCESS TO & USE OF LAND TRANSPORT	MANAGING THE HIGHWAY NETWORK	SPECIFIC CROWN PROJECTS
Revenue from the National Land Transport Fund	Operating	\$5,756.270m	\$3,259.791m	\$946.761m		\$189.744m		\$45.239m	
	Capital	\$2,808.715m		\$4,351.620m				\$119.280m	
	Borrowing	\$137.000m							
Revenue from third parties		\$392.751m				\$20.250m	\$380.359m	\$2.595m	
Revenue from the Crown	Operating	\$180.841m			\$108.409m	\$2.325m	\$65.383m		\$0.285m
	Capital	\$30.000m			\$33.500m				
Totals		\$9,305.577m	\$3,259.791m	\$5,298.381m	\$141.909m	\$212.319m	\$445.742m	\$167.114m	\$0.285m
This table includes operating and capital			Total \$8,700.081m			Total \$825.460m			

The \$200m difference between funding and expenditure over the 2013-16 period is covered by the proceeds of sale of surplus state highway properties.

NZ TRANSPORT AGENCY GROUP OPERATING ACTIVITIES

This table shows the NZTA's total expenditure from its operating activities.

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Personnel costs	108,610	117,170	120,332	123,262
Operating expenses	141,054	145,995	142,207	141,295
Depreciation and amortisation expense	8,180	9,666	13,084	12,449
TOTAL EXPENDITURE	257,844	272,831	275,623	277,006

The budgeted increase in personnel costs is a mix of planned increases in remuneration and planned increases in staff numbers to bring inhouse some activities that were previously outsourced.

MANAGING OUR ASSETS

Each year the NZTA prepares a capital programme to ensure that it has the infrastructure required to fulfil its functions. The budget set aside for the next three years, not including state highway network activities, is set out below.

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
Computer hardware	2,750	2,000	2,000	2,000
Computer software	6,725	7,720	7,000	7,000
Leasehold improvements	1,000	500	3,300	1,400
Furniture and fittings	100	280	1,000	100
Office, plant & equipment	75	100	150	20
Crash analysis system (transfer from MoT)	408	0	0	0
National integrated transport ticketing system	2,582	200	1,000	0
TOTAL	13,640	10,800	14,450	10,520

The focus of the capital programme is on upgrading our technology and making improvements to business critical systems and applications.

From an infrastructure perspective, the assets purchased primarily relate to the replacement of assets that have exceeded their useful life or in the case of computer equipment and furniture are part of a planned replacement programme.

THIRD PARTY FEES AND CHARGES FUNDED ACTIVITIES

Memorandum accounts are notional accounts that record the accumulated balance of surpluses and deficits incurred for third party funded outputs operating on a full cost recovery basis.

THIRD PARTY FEES AND CHARGES BY FUNDING SOURCE				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
BORDER INSPECTIONS				
Net surplus/(deficit)	1,124	(60)	(100)	(100)
Balance at 30 June	1,860	1,800	1,700	1,600
CERTIFICATION REVIEWS				
Net surplus/(deficit)	(1,175)	(500)	1,700	1,800
Balance at 30 June	(3,100)	(3,600)	(1,900)	(100)
DRIVER LICENSING				
Net surplus/(deficit)	2,721	(800)	(700)	(100)
Balance at 30 June	500	(300)	(1,000)	(1,100)
DRIVER TESTING				
Net surplus/(deficit)	1,986	0	400	400
Balance at 30 June	3,200	3,200	3,600	4,000
MOTOR VEHICLE LICENSING				
Net surplus/(deficit)	1,500	1,700	(1,300)	(1,500)
Balance at 30 June	1,500	3,200	1,900	400
OVERDIMENSION PERMITS				
Net surplus/(deficit)	(74)	(100)	(100)	(100)
Balance at 30 June	500	400	300	200
RAIL LICENSING				
Net surplus/(deficit)	139	(300)	(100)	(100)
Balance at 30 June	(2,300)	(2,600)	(2,700)	(2,800)
STANDARDS DEVELOPMENT AND CERTIFICATION				
Net surplus/(deficit)	1,626	(300)	(1,800)	(1,800)
Balance at 30 June	2,300	2,000	200	(1,600)
TRANSPORT LICENSING				
Net surplus/(deficit)	(492)	(100)	400	300
Balance at 30 June	(3,700)	(3,800)	(3,400)	(3,100)
TOTAL MEMO ACCOUNT – THIRD PARTY FEES/CHARGES	760	300	(1,300)	(2,500)

All memorandum accounts areas are reviewed to ensure costs are aligned with fee revenue with the longer term aim of balancing each of these. Until these reviews are fully completed, some memorandum accounts will continue to carry negative balances.

INVESTMENT IN LAND TRANSPORT

The NZTA develops the three-year National Land Transport Programme (NLTP) based on the policy direction in the Land Transport Management Act and the Government Policy Statement on Land Transport Funding (GPS) and regional priorities. This table below shows the activity classes which are funded from the National Land Transport Programme and associated activities funded from the Crown. The investment in land transport is net of the expenditure on new and renewal of state highways which is capitalised and the NZTA operating expenditure which is separately shown in the statement of comprehensive income.

The three-year NLTP period covers 2012/13. The budget for each year depends on the portion of the programme that is delivered in the previous years. The investment in local roads and public transport is the NLTP contribution only and does not include the significant contribution from local authorities.

INVESTMENT IN LAND TRANSPORT				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
New and improved infrastructure for state highways	958,000	1,159,000	1,317,000	1,320,000
Renewal of state highways	187,900	222,000	227,000	225,900
Maintenance and operation of state highways	352,700	312,000	335,000	345,000
New and improved infrastructure for local roads	150,000	160,000	165,000	191,000
Renewal of local roads	212,000	246,000	246,000	262,500
Maintenance and operation of local roads	284,000	289,000	293,000	306,000
Public transport	299,000	316,000	310,000	342,800
Road safety promotion	30,800	32,100	31,900	33,700
Walking and cycling	12,000	20,000	20,000	20,600
Sector research	4,400	5,600	5,000	5,100
Transport planning	14,430	15,990	15,980	17,300
Management of the funding allocation system	29,000	30,000	30,000	30,600
Interest on borrowings	4,550	5,200	3,240	2,275
TOTAL NLTP EXPENDITURE	2,538,780	2,812,890	2,999,120	3,102,775
Activities funded on behalf of the Crown				
Enhanced PT concession for SuperGold cardholders	22,755	23,905	25,905	17,905
Administration of the SuperGold card scheme	95	95	95	95
Construction of passing opportunities on SH2	1,500	3,500	0	0
National war memorial park	20,000	20,000	10,000	0
Reinstatement of local roads in Canterbury	25,200	40,694	0	0
Sub total of activities funded on behalf of the Crown	69,550	88,194	36,000	18,000
	2,608,330	2,901,084	3,035,120	3,120,775
Less capital expenditure	(1,167,400)	(1,404,500)	(1,554,000)	(1,545,900)
Less NZTA operating activities funded from the NLTP	(109,114)	(117,819)	(118,467)	(120,612)
Less interest on borrowing	(4,550)	(5,200)	(3,240)	(2,275)
TOTAL INVESTMENT IN LAND TRANSPORT	1,327,266	1,373,565	1,359,413	1,451,988

PROSPECTIVE FINANCIAL STATEMENTS

The consolidated financial statements include the parent NZ Transport Agency and its subsidiary NZ Transport Ticketing Limited.

CONSOLIDATED GROUP PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the Crown	64,172	91,242	48,829	40,770
Revenue from the National Land Transport Fund	1,823,457	1,864,290	1,892,880	1,999,100
Revenue from third parties	131,806	130,915	131,068	130,768
Total income	2,019,435	2,086,447	2,072,777	2,170,638
EXPENDITURE				
Personnel costs	108,610	117,170	120,332	123,262
Operating expenses	141,054	145,995	142,207	141,295
Investment in land transport	1,327,266	1,373,565	1,359,413	1,451,988
Interest on borrowing	4,550	5,200	3,240	2,275
Depreciation and amortisation expense	420,360	426,666	435,084	439,449
State highway asset write-off	17,500	10,500	10,500	10,500
Total expenditure	2,019,340	2,079,096	2,070,776	2,168,769
NET SURPLUS/(DEFICIT)	95	7,351	2,001	1,869
OTHER COMPREHENSIVE INCOME				
Gain/(loss) state highway network/Bailey bridging revaluations	300,000	300,000	300,000	300,000
Total other comprehensive income	300,000	300,000	300,000	300,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	300,095	307,351	302,001	301,869

CONSOLIDATED GROUP PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	50,000	50,050	50,050	50,050
Debtor National Land Transport Fund	424,488	398,168	454,521	409,480
Debtor Crown	21,924	31,173	16,682	13,929
Debtors and other receivables	26,000	26,279	26,475	26,475
Property assets held for sale	57,000	50,000	50,000	50,000
Prepayments	2,200	2,200	2,200	2,200
Inventories	200	200	200	200
Total current assets	581,812	558,070	600,128	552,334
NON-CURRENT ASSETS				
Property, plant and equipment	18,308	15,743	16,218	14,325
State highway network	26,809,419	28,242,902	29,370,919	30,702,319
Bailey bridging	7,375	7,375	7,375	7,375
Intangible assets	43,417	47,116	48,007	47,971
Loans and advances	900	900	900	900
Total non-current assets	26,879,419	28,314,036	29,443,419	30,772,890
TOTAL ASSETS	27,461,231	28,872,106	30,043,547	31,325,224
LIABILITIES				
CURRENT LIABILITIES				
Creditors and other payables	346,579	281,287	223,478	226,612
Tolling funds held in trust	3,200	3,200	3,200	3,200
Employee entitlements	12,000	12,015	12,025	12,025
Borrowing	100,000	250,000	110,000	60,000
Total current liabilities	461,779	546,502	348,703	301,837
NON-CURRENT LIABILITIES				
Creditors and other payables	200	200	200	200
Employee entitlements	4,700	4,700	4,700	4,700
Borrowing (for toll roads)	0	120,000	137,000	137,000
Total non-current liabilities	4,900	124,900	141,900	141,900
TOTAL LIABILITIES	466,679	671,402	490,603	443,737
NET ASSETS	26,994,552	28,200,703	29,552,944	30,881,488
EQUITY				
General funds	25,606	25,806	26,806	26,806
Retained funds	22,310	25,221	23,562	21,906
Memorandum account - third party fees and charges	760	300	(1,300)	(2,500)
State highway network ^a	26,945,876	28,149,376	29,503,876	30,835,276
TOTAL EQUITY	26,994,552	28,200,703	29,552,944	30,881,488

a. The state highway network includes the state highway investment (including Bailey bridging) and revaluation reserves.

CONSOLIDATED GROUP PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
EQUITY - OPENING BALANCES				
General funds	5,198	25,606	25,806	26,806
Retained funds	47,885	22,310	25,221	23,562
Memorandum account - third party fees and charges	(6,595)	760	300	(1,300)
State highway network	25,974,656	26,945,876	28,149,376	29,503,876
Total equity - Opening balance	26,021,144	26,994,552	28,200,703	29,552,944
CHANGES IN EQUITY				
Comprehensive income				
Retained funds	(7,260)	7,811	3,601	3,069
Memorandum account - third party fees and charges	7,355	(460)	(1,600)	(1,200)
State highway network - gain/(loss) on revaluations	300,000	300,000	300,000	300,000
	300,095	307,351	302,001	301,869
Owner transactions				
Capital contribution - general funds	20,408	200	1,000	0
Capital contribution - National Land Transport Programme	650,323	758,600	1,022,240	1,026,675
Capital contribution - National War Memorial Park	20,000	20,000	10,000	0
Borrowing (for toll roads)	0	120,000	17,000	0
	690,731	898,800	1,050,240	1,026,675
Total changes in equity	990,826	1,206,151	1,352,241	1,328,544
EQUITY - CLOSING BALANCES				
General funds	25,606	25,806	26,806	26,806
Retained funds	22,310	25,221	23,562	21,906
Memorandum account - third party fees and charges	760	300	(1,300)	(2,500)
State highway network	26,945,876	28,149,376	29,503,876	30,835,276
TOTAL EQUITY - CLOSING BALANCES	26,994,552	28,200,703	29,552,944	30,881,488

CONSOLIDATED GROUP PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Crown revenue	90,813	81,994	63,319	43,523
Receipts from National Land Transport Fund revenue	1,806,422	2,010,610	1,853,527	2,044,141
Receipts from third party revenue	130,250	130,136	130,372	130,268
Interest received	1,562	500	500	500
Payments to suppliers	(1,451,170)	(1,585,452)	(1,560,030)	(1,590,750)
Payments to employees	(110,192)	(117,155)	(120,322)	(123,262)
Goods & services tax (net)	600	600	600	600
Net cash from operating activities	468,285	521,233	367,968	505,020
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of state highway held properties	65,000	70,000	67,000	77,000
Purchase of property, plant and equipment	(3,925)	(2,880)	(6,450)	(3,520)
Purchase of intangible assets	(7,133)	(7,720)	(7,000)	(7,000)
State highway network	(1,166,628)	(1,623,983)	(1,327,517)	(1,545,900)
Loan to local authority	(45)	0	0	0
Net cash from investing activities	(1,112,731)	(1,564,583)	(1,273,967)	(1,479,420)
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital contribution (Crash analysis system)	408	0	0	0
Capital contribution from the National Land Transport Fund	650,323	758,600	1,022,240	1,026,674
Capital contribution for the National War Memorial Park	20,000	20,000	10,000	0
Receipts from borrowing	170,000	370,000	197,000	190,000
Repayment of borrowing	(200,000)	(100,000)	(320,000)	(240,000)
Interest paid on borrowing	(4,550)	(5,200)	(3,240)	(2,275)
Net cash from financing activities	636,181	1,043,400	906,000	974,399
NET (DECREASE)/INCREASE CASH AND CASH EQUIVALENTS	(8,265)	50	0	0
Cash and cash equivalents at the beginning of the year	58,265	50,000	50,050	50,050
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	50,000	50,050	50,050	50,050

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE FINANCIAL STATEMENTS AND ASSUMPTIONS

Use of information contained in these prospective financial statements

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004, for the purpose of providing information on the NZ Transport Agency's future operating intentions and financial position, against which it must report and be formally audited at the end of the financial year.

The information in these financial statements may not be appropriate for purposes other than those described.

The NZ Transport Agency has complied with financial reporting standard FRS 42 *Prospective Financial Statements* in the preparation of these prospective financial statements.

These prospective financial statements are based on significant financial assumptions as to future events that the NZ Transport Agency reasonably expects to occur at the time this information was prepared. Any changes to these assumptions during the year will not be reflected in these financial statements.

The reader of this report should note that no actual operating results are contained in these prospective financial statements. Actual results achieved for the forecast periods are likely to vary from the information presented, and that some variations may be material.

The NZ Transport Agency does not intend to update the prospective financial statements subsequent to the publication of these statements.

Statement of significant underlying assumptions

The NZ Transport Agency has made a number of assumptions in preparing the prospective financial statements. The most significant of these are outlined below.

Revenue from the National Land Transport Fund	Revenue forecasts for fuel excise duty, road user charges and motor vehicle registrations are based on future performance and trends.
Fees and charges	Forecast revenues are influenced by transaction volumes. Assumptions are based on historical performance and trends.
Interest income	Interest income on cash holdings is calculated at 3 percent. This income declines as the current levels of cash holdings is used.
Personnel costs	The forecast costs assume the current organisational structure will be in place throughout the period. Remuneration increases are expected to be minimal, with any increases being absorbed through operating efficiencies.
Expenditure	The forecast costs assume the current range of activities will be in place throughout the period, and reflect the increasing pressures associated with delivering its programmes and services.
Capital	The NZTA is undertaking a programme of capital spending aimed at improving and renewing the state highway network. Projected costs and timing of expenditure are based on project plans and quotations current when these forecasts were prepared.
Asset revaluations	The state highway network is re-valued annually. These valuations are dependant on changes in the value of the land, properties and asset components of the state highway network.
Opening equity	Estimated opening equity assumes a 2012/13 year surplus of \$300.095m. This impacts on estimated amounts of cash on hand and net assets.

KEY ISSUES IMPACTING ON BUDGET

Estimates of appropriations for the year ending 30 June 2014

This table shows the funding the NZTA receives from the government as disclosed in the *Estimates of appropriations*, and the movements to the revenue published in the *Statement of intent*.

Output class	Appropriations 2013/14 \$000	Funding movements \$000	SOI 2013/14 \$000
Management of the funding allocation system PLA	30,000	0	30,000
Transport planning PLA	16,400	(410)	15,990
Sector research PLA	5,000	600	5,600
Public transport PLA	311,000	5,000	316,000
Road safety promotion PLA	33,200	(1,100)	32,100
New and improved infrastructure for local roads PLA	170,000	(10,000)	160,000
Renewal of local roads PLA	246,000	0	246,000
Maintenance and operation of local roads PLA	289,000	0	289,000
Walking and cycling PLA	20,000	0	20,000
State highway renewals PLA	417,000	0	417,000
Maintenance and operation of state highways PLA	330,000	(18,000)	312,000
National Land Transport Programme PLA	1,867,600	(23,910)	1,843,690
NLTP – new infrastructure for and renewal of state highways	761,010	(2,410)	758,600
Management of the funding allocation system (crash analysis)	775	0	775
Licensing and regulatory compliance	4,031	(132)	3,899
Road user charges collection	13,773	(3,456)	10,317
Road user charges investigation and enforcement	6,279	0	6,279
Road user charges refunds	450	0	450
Refund of fuel excise duty	429	0	429
Enhanced public transport concessions for SuperGold cardholders	23,905	0	23,905
Administration of the SuperGold cardholders scheme	95	0	95
Construction of passing opportunities on SH2	3,000	500	3,500
National War Memorial Park	25,000	(5,000)	20,000
Reinstatement of local roads in Canterbury	0	40,694	40,694
TOTAL	2,706,347	6,286	2,712,633

(PLA – Permanent legislative authority).

The increase in funding is the net result of planned underspends and the carry-forward of funding for reinstatement of local roads in Canterbury.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2014

Reporting entity

The NZ Transport Agency is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the NZ Transport Agency's ultimate parent is the New Zealand Crown.

The NZ Transport Agency's primary objective is to provide services to the NZ public, as opposed to making a financial return. Accordingly, the NZ Transport Agency has designated itself a public benefit entity for the purposes of New Zealand equivalents to international financial reporting standards (NZ IFRS).

The financial statements for the NZ Transport Agency group are for the period 2013-16, and were approved by the Board on 19 June 2013.

Consolidation of subsidiary

The consolidated financial statements include the parent NZ Transport Agency and its subsidiary NZ Transport Ticketing Limited.

The subsidiary is accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All inter-company transactions are eliminated on consolidation.

Consistent accounting policies are applied to the subsidiary's financial statements and are prepared for the same reporting period as the parent entity.

The NZ Transport Agency's investment in its subsidiary is carried at cost in the NZ Transport Agency's own 'parent entity' financial statements.

Basis of preparation

Statement of compliance

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

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

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of the state highway network and Bailey bridging stock. The measurement of financial assets and financial liabilities is at amortised cost.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant will be disclosed by way of separate notes to the financial statements.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the NZ Transport Agency is New Zealand dollars.

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

The NZ Transport Agency has adopted all standards, amendments and interpretations to existing standards that have been published and are mandatory for its accounting periods beginning on or after 1 July 2013.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the Crown and the National Land Transport Fund

The NZ Transport Agency is primarily funded through revenue received from the Crown and the National Land Transport Fund, which is restricted in its use for the purpose of the NZ Transport Agency meeting its objectives as specified in the Statement of Intent.

Revenue from the Crown and the National Land Transport Fund is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

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

Rental income

Lease receipts are recognised as revenue on a straight-line basis over the lease term.

Borrowing costs

The NZ Transport Agency has elected to defer adoption of the revised NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with the transitional provisions of NZ IAS 23 that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the financial year in which they are incurred.

Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Debtors and other receivables

Short-term debtors and other receivables are recognised initially at fair value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the NZ Transport Agency will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Property assets held for sale

Property assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Property assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of property assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Property assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: leasehold improvements, furniture and fittings, plant and office equipment, and motor vehicles.

Property, plant and equipment are measured at cost or valuation, less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the NZ Transport Agency and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the NZ Transport Agency and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Valuation of state highways and Bailey bridging

State highways are valued at depreciated replacement cost based on the estimated present cost of constructing the existing assets by the most appropriate method of construction, reduced by factors for the age and condition of the asset. Land associated with the state highway is valued using an opportunity cost based on adjacent use, as an approximation to fair value. Borrowing costs have not been capitalised.

Bailey bridging is valued at optimised depreciated replacement cost based on the optimum size of asset holding by the unit cost for each category of asset.

A cyclical basis is now being used so that each region is revalued at an interval not exceeding 3.5 years. Those regions that are not subject to full revaluation in a particular year will be subject to a valuation update through the use of price indices.

Increases in the carrying amount arising on revaluation of the state highway are credited to the asset revaluation reserve. Decreases that offset previous increases of the same asset are charged against the asset revaluation reserve. All other decreases are charged to the statement of comprehensive income. Each year the depreciation, based on the revalued carrying amount of the asset, is charged to the statement of comprehensive income. The gain or loss on the asset revaluation reserve is also charged to the statement of comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the NZ Transport Agency and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in the assets revaluation reserve in respect of those assets are transferred to general funds.

Land, held properties, formation and the sub-base component of pavement (base) are not depreciated as the service potential of these components is considered not to reduce over time.

Brownfield costs have been accounted for where they can be reliably measured.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, held properties, formation and the sub-base component of pavement (base), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ASSETS	USEFUL LIFE (YEARS)	DEPRECIATION RATE (%)
State highways - pavement (base)	50	2.0
State highways - pavement (surface)	7	14.3
State highways - drainage	60	1.7
State highways - traffic facilities	15	6.7
State highways - bridges	90-100	1.0-1.1
State highways - culverts & subways	50-75	1.3-2.0
State highways - other structures	100	1.0
Bailey bridging - panels	70	1.42
Bailey bridging - transoms	103	0.57
Bailey bridging - stringers	100	0.67
Bailey bridging - chord reinforcing	69	1.45
Bailey bridging - other miscellaneous	76	1.0
Motor vehicles	4	25.0
Computer equipment	3	33.3
Plant	5-10	10.0-20.0
Equipment	5-8	12.5-20.0
Furniture & fittings	5-10	10.0-20.0
Office equipment	4-5	20.0-25.0
Leasehold improvements	Life of lease	7.7-33.0

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the NZ Transport Agency's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

ASSETS	USEFUL LIFE (YEARS)	DEPRECIATION RATE (%)
Computer software	3-10	10-33.3

Impairment of property, plant and equipment and intangible assets

Assets that have an indefinite useful life, such as land, are not subject to amortisation and are tested on a cyclical basis so that each region is reviewed at an interval not exceeding three and a half years for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the NZ Transport Agency would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets, the impairment loss is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation reserve in equity for the class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a re-valued asset is credited to the other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a re-valued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Financial assets

Financial assets are classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in debtors and other receivables or cash and cash equivalents in the balance sheet.

Loan to local authority

Loans to local authorities, made at the government bond rate, are initially recognised at present value of their future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the statement of comprehensive income.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Borrowing

Borrowing is initially recognised at their fair value plus transaction costs. After initial recognition, all borrowing is measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- › likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information, and
- › the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to the Government Superannuation Fund, Kiwisaver, National Superannuation Scheme, and Post Office Pension Fund are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive income as incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Jointly controlled operations

The NZ Transport Agency has interests in jointly controlled operations. These include the Auckland Motorway Alliance and Marlborough Roads. It recognises in its financial statements:

- › the assets that it controls and the liabilities that it incurs
- › the expenses that it incurs from the operations of the jointly controlled operation.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- › general funds
- › retained funds
- › memorandum account – third party fees and charges
- › state highway investment and revaluation reserve.

State highway revaluation reserve

This reserve relates to the revaluation of the state highway network and Bailey bridging to fair value.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Budget figures

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

Cost allocation

The NZ Transport Agency has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. The three types of indirect costs are:

1. **Corporate overheads** – costs arising from the Board, Chief Executive, Group Managers (Organisational Support, People & Capability, Strategy & Performance) and business support units such as Finance, Human Resources, Information Technology, Legal, Audit and others. These costs are allocated to output classes then to business activities using full time equivalents responsible for delivering the output and their corresponding salaries as the cost drivers.
2. **Regional office costs** – costs relating to operating and maintaining a regional office such as office rent and building management. These costs are allocated to output classes then to business activities using the number of full time equivalents in each region as the cost driver.
3. **Operational cost centres' own shared costs** – costs incurred directly on account of more than one business activities within that operational cost centre. These shared costs are assigned to business activities based on the proportion of the estimated time spent on the affected business activities.

Critical accounting estimates and assumptions

In preparing these financial statements the NZ Transport Agency has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant and equipment useful lives and residual value

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the NZ Transport Agency, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The NZ Transport Agency minimises the risk of this estimation uncertainty by:

- › physical inspection and condition monitoring of assets
- › asset management planning
- › asset replacement programmes.

The NZ Transport Agency has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying NZ Transport Agency's accounting policies

Management has exercised the following critical judgements in applying accounting policies:

State highway network & Bailey bridging

State highways are valued at depreciated replacement cost based on the estimated present cost of constructing the existing assets by the most appropriate method of construction, reduced by factors for the age and condition of the asset. Land associated with the state highway is valued using an opportunity cost based on adjacent use, as an approximation to fair value.

Bailey bridging is valued at optimised depreciated replacement cost based on the optimum size of asset holding by the unit cost for each category of asset.

Critical judgements relate to:

- › estimating the replacement cost of existing assets, including the impact of cost allocation and whether a cost should be capitalised or expensed. The NZ Transport Agency incurs expenditure on maintaining state highways and on new and improved infrastructure for state highways. Professional judgement and engineering assessments are used to determine whether costs incurred on state highways should be capitalised or expensed
- › the age, condition and remaining economic life of existing assets, including the impact of maintenance thereon.
- › determining the optimum level of Bailey bridging stock.

Brownfield construction costs are included in the valuation where they can be reliably measured.

Brownfield construction costs include:

- › temporary traffic management
- › demolition and removal of displaced assets
- › restoration of damaged/severed utility infrastructure
- › re-establishment of the interface between the new and existing development (landscaping, footpaths, roads, fences, driveways etc)
- › environment compliance
- › work restrictions (noise, hours, limitations on available site area for contractors, storage/plant/offices etc).

Further work is currently being carried out to determine a reliable measure of brownfield costs not included in the state highway assets.

Leases classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the NZ Transport Agency.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

The NZ Transport Agency has exercised its judgement on the appropriate classification of equipment leases, and has determined a number of lease arrangements are finance leases.

OUTPUT CLASS INCOME AND EXPENDITURE

Planning & investing in land transport networks

MANAGEMENT OF THE FUNDING ALLOCATION SYSTEM				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the Crown (crash analysis system)	775	775	775	775
Revenue from the National Land Transport Fund	29,000	30,000	30,000	30,600
Total income	29,775	30,775	30,775	31,375
EXPENDITURE				
NZ Transport Agency operating activities (crash analysis system)	775	775	775	775
NZ Transport Agency operating activities (taxi enf./RSC)	2,038	514	514	514
NZ Transport Agency operating activities	26,962	29,486	29,486	30,086
Total expenditure	29,775	30,775	30,775	31,375
NET SURPLUS/(DEFICIT)	0	0	0	0

TRANSPORT PLANNING				
INCOME				
Revenue from the National Land Transport Fund	14,430	15,990	15,980	17,300
Total income	14,430	15,990	15,980	17,300
EXPENDITURE				
NZ Transport Agency operating activities	5,120	4,150	4,150	6,200
Funding to approved organisations	9,310	11,840	11,830	11,100
Total expenditure	14,430	15,990	15,980	17,300
NET SURPLUS/(DEFICIT)	0	0	0	0

SECTOR RESEARCH				
INCOME				
Revenue from the National Land Transport Fund	4,400	5,600	5,000	5,100
Total income	4,400	5,600	5,000	5,100
EXPENDITURE				
NZ Transport Agency operating activities	4,400	5,600	5,000	5,100
Total expenditure	4,400	5,600	5,000	5,100
NET SURPLUS/(DEFICIT)	0	0	0	0

PUBLIC TRANSPORT				
INCOME				
Revenue from the National Land Transport Fund	299,000	316,000	310,000	342,800
Total income	299,000	316,000	310,000	342,800
EXPENDITURE				
NZ Transport Agency operating activities	2,890	2,963	2,643	2,600
Funding to approved organisations (PT infrastructure)	42,110	33,037	31,357	38,600
Funding to approved organisations (PT services)	254,000	280,000	276,000	301,600
Total expenditure	299,000	316,000	310,000	342,800
NET SURPLUS/(DEFICIT)	0	0	0	0

ROAD SAFETY PROMOTION				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the National Land Transport Fund	30,800	32,100	31,900	33,700
Total income	30,800	32,100	31,900	33,700
EXPENDITURE				
NZTA operating activities (vehicle impoundment)	200	200	200	200
NZ Transport Agency operating activities	18,774	21,017	20,742	18,379
Funding to approved organisations	11,826	10,883	10,958	15,121
Total expenditure	30,800	32,100	31,900	33,700
NET SURPLUS/(DEFICIT)	0	0	0	0

NEW AND IMPROVED INFRASTRUCTURE FOR LOCAL ROADS				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the National Land Transport Fund	150,000	160,000	165,000	191,000
Total income	150,000	160,000	165,000	191,000
EXPENDITURE				
Funding to approved organisations	150,000	160,000	165,000	191,000
Total expenditure	150,000	160,000	165,000	191,000
NET SURPLUS/(DEFICIT)	0	0	0	0

RENEWAL OF LOCAL ROADS				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the National Land Transport Fund	212,000	246,000	246,000	262,500
Total income	212,000	246,000	246,000	262,500
EXPENDITURE				
Funding to approved organisations	212,000	246,000	246,000	262,500
Total expenditure	212,000	246,000	246,000	262,500
NET SURPLUS/(DEFICIT)	0	0	0	0

MAINTENANCE AND OPERATION OF LOCAL ROADS				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the National Land Transport Fund	284,000	289,000	293,000	306,000
Total income	284,000	289,000	293,000	306,000
EXPENDITURE				
Funding to approved organisations	284,000	289,000	293,000	306,000
Total expenditure	284,000	289,000	293,000	306,000
NET SURPLUS/(DEFICIT)	0	0	0	0

WALKING AND CYCLING				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the National Land Transport Fund	12,000	20,000	20,000	20,600
Total income	12,000	20,000	20,000	20,600
EXPENDITURE				
Funding to approved organisations	12,000	20,000	20,000	20,600
Total expenditure	12,000	20,000	20,000	20,600
NET SURPLUS/(DEFICIT)	0	0	0	0

Providing access to and use of the land transport system

LICENSING AND REGULATORY COMPLIANCE				
INCOME				
Revenue from the Crown	548	548	548	548
Revenue from the Crown (rules development)	804	899	899	899
Revenue from the Crown (drug and alcohol assessments)	1,030	1,100	1,030	1,030
Revenue from the Crown (driver licensing stop orders)	770	806	75	75
Revenue from the Crown (driver test subsidy)	1,445	1,445	1,445	1,445
Revenue from third parties (fees and charges)	69,727	66,575	67,355	67,855
Revenue from third parties (other)	1,647	1,600	1,034	534
Total income	75,971	72,973	72,386	72,386
EXPENDITURE				
Ministerial advice and official correspondence	794	548	548	548
Rules development	804	899	909	906
Drug and alcohol assessments	1,030	1,100	1,030	1,030
Fees and charges funded activities	65,317	70,180	69,100	69,000
Other (including driver licensing stop orders)	1,738	1,907	609	109
Total expenditure	69,683	74,634	72,196	71,593
NET SURPLUS/(DEFICIT)	6,288	(1,661)	190	793

Rules development is funded by contract with the Ministry of Transport.

The projected surplus in 2012/13 is the result of cost reductions implemented to recover previous deficits.

ROAD TOLLING				
INCOME				
Revenue from third parties	5,753	5,696	5,735	5,735
Total income	5,753	5,696	5,735	5,735
EXPENDITURE				
NZ Transport Agency operating activities	5,971	5,763	5,763	5,763
Total expenditure	5,971	5,763	5,763	5,763
NET SURPLUS/(DEFICIT)	(218)	(67)	(28)	(28)

MOTOR VEHICLE REGISTRY				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from third parties	53,715	53,700	51,000	50,700
Total income	53,715	53,700	51,000	50,700
EXPENDITURE				
NZ Transport Agency operating activities	52,215	52,000	52,300	52,200
Total expenditure	52,215	52,000	52,300	52,200
NET SURPLUS/(DEFICIT)	1,500	1,700	(1,300)	(1,500)

ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT				
INCOME				
Revenue from the Crown (RUC collection)	13,486	10,317	13,399	13,340
Revenue from the Crown (RUC investigation and enforcement)	3,779	6,279	3,779	3,779
Revenue from the Crown (RUC refund)	450	450	450	450
Total income	17,715	17,046	17,628	17,569
EXPENDITURE				
NZTA operating activities (RUC collection)	13,486	12,817	13,399	13,340
NZTA operating activities (RUC investigation and enforcement)	3,779	3,779	3,779	3,779
NZTA operating activities (RUC refund)	450	450	450	450
Total expenditure	17,715	17,046	17,628	17,569
NET SURPLUS/(DEFICIT)	0	0	0	0

REFUND OF FUEL EXCISE DUTY				
INCOME				
Revenue from the Crown	429	429	429	429
Total income	429	429	429	429
EXPENDITURE				
NZ Transport Agency operating activities	429	429	429	429
Total expenditure	429	429	429	429
NET SURPLUS/(DEFICIT)	0	0	0	0

Managing the state highway network

NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Capital contribution from the National Land Transport Fund	462,423	536,600	795,240	800,775
Revenue from the NLTF (renewals)	412,000	417,000	422,000	427,000
Revenue from the NLTF (rental and interest income)	23,127	20,600	19,000	17,500
Borrowing (for toll roads)	0	120,000	17,000	0
Total income	897,550	1,094,200	1,253,240	1,245,275
EXPENDITURE				
NZ Transport Agency operating activities	31,165	31,760	31,760	31,760
NZTA investment in the state highway network	926,835	1,096,240	1,215,240	1,288,240
NZTA investment in the state highway network (for toll roads)	0	31,000	70,000	0
Total expenditure	958,000	1,159,000	1,317,000	1,320,000
NET SURPLUS/(DEFICIT)	(60,450)	(64,800)	(63,760)	(74,725)

Net deficits are being funded by receipts from the sale of state highway held properties.

RENEWAL OF STATE HIGHWAYS				
INCOME				
Capital contribution from the National Land Transport Fund	187,900	222,000	227,000	225,900
Total income	187,900	222,000	227,000	225,900
EXPENDITURE				
NZ Transport Agency operating activities	8,735	8,000	8,000	8,000
NZTA investment in the state highway network	179,165	214,000	219,000	217,900
Total expenditure	187,900	222,000	227,000	225,900
NET SURPLUS/(DEFICIT)	0	0	0	0

MAINTENANCE AND OPERATION OF STATE HIGHWAYS				
INCOME				
Revenue from the National Land Transport Fund	352,700	312,000	335,000	345,000
Revenue from third parties (business units)	964	944	944	944
Total income	353,664	312,944	335,944	345,944
EXPENDITURE				
NZ Transport Agency operating activities	8,735	13,084	15,177	16,978
NZ Transport Agency operating activities (business units)	865	865	865	865
NZTA investment in the state highway network operations	343,965	298,916	319,823	328,022
Total expenditure	353,565	312,865	335,865	345,865
NET SURPLUS/(DEFICIT)	99	79	79	79

Specific projects funded by the Crown

ENHANCED PUBLIC TRANSPORT CONCESSIONS FOR SUPERGOLD CARDHOLDERS				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the Crown	22,755	23,905	25,905	17,905
Total income	22,755	23,905	25,905	17,905
EXPENDITURE				
Funding to approved organisations	22,755	23,905	25,905	17,905
Total expenditure	22,755	23,905	25,905	17,905
NET SURPLUS/(DEFICIT)	0	0	0	0
ADMINISTRATION OF THE SUPERGOLD CARDHOLDERS SCHEME				
INCOME				
Revenue from the Crown	95	95	95	95
Total income	95	95	95	95
EXPENDITURE				
NZ Transport Agency operating activities	95	95	95	95
Total expenditure	95	95	95	95
NET SURPLUS/(DEFICIT)	0	0	0	0
CONSTRUCTION OF PASSING OPPORTUNITIES ON SH2 BETWEEN NAPIER AND GISBORNE				
INCOME				
Revenue from the Crown	1,500	3,500	0	0
Total income	1,500	3,500	0	0
EXPENDITURE				
NZTA investment in the state highway network	1,500	3,500	0	0
Total expenditure	1,500	3,500	0	0
NET SURPLUS/(DEFICIT)	0	0	0	0

NATIONAL WAR MEMORIAL PARK				
	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Capital contribution from the Crown	20,000	20,000	10,000	0
Total income	20,000	20,000	10,000	0
EXPENDITURE				
NZTA investment in the state highway network	20,000	20,000	10,000	0
Total expenditure	20,000	20,000	10,000	0
NET SURPLUS/(DEFICIT)	0	0	0	0

REINSTATEMENT OF LOCAL ROADS IN CANTERBURY				
INCOME				
Revenue from the Crown	16,306	40,694	0	0
Total income	16,306	40,694	0	0
EXPENDITURE				
Funding to approved organisations	25,200	40,694	0	0
Total expenditure	25,200	40,694	0	0
NET SURPLUS/(DEFICIT)	(8,894)	0	0	0

The projected deficit for 2012/13 is funded by the prior year surplus.

NEW ZEALAND TRANSPORT TICKETING LTD

Overview

New Zealand Transport Ticketing Limited has been established as a Crown entity subsidiary, under the governance of the NZ Transport Agency, to execute the operational plan for supporting a national integrated transport ticketing system and managing information services generated from such a system. Through New Zealand Transport Ticketing Limited, an infrastructure will be developed to support:

- the transport ticketing central system processing capability for all customers and related service delivery agreements, including national settlement services
- information management support services, including the information registrar function and security management
- other system services, including gateways and interfaces as required.

It is currently planned to start operations on 1 January 2014.

PROSPECTIVE FINANCIAL STATEMENTS

These prospective financial statements set out the forecast financial position and operations of New Zealand Transport Ticketing Limited. These prospective statements have been consolidated into the NZ Transport Agency's prospective statements and are provided here as information.

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
INCOME				
Revenue from the National Land Transport Fund	0	950	700	700
Revenue from third parties	0	2,400	5,000	5,000
Total income	0	3,350	5,700	5,700
EXPENDITURE				
Personnel costs	0	250	500	500
Operating expenses	0	3,100	5,200	5,200
Depreciation and amortisation expense	0	1,100	2,200	2,200
Total expenditure	0	4,450	7,900	7,900
NET SURPLUS/(DEFICIT)	0	(1,100)	(2,200)	(2,200)
OTHER COMPREHENSIVE INCOME	0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	0	(1,100)	(2,200)	(2,200)

FORECAST SERVICE PERFORMANCE FOR THE YEAR ENDING 30 JUNE

HOW DO WE ASSESS OUR SERVICE DELIVERY PERFORMANCE?	2012/13 Estimate	2013/14 Target	2014/15 Target	2015/16 Target
% of activities delivered to agreed standards and timetrames ³⁷	NEW	>90%	>90%	>90%

Note included in Appendix (page 101)

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	0	50	50	50
Debtors and other receivables	0	279	475	475
Total current assets	0	329	525	525
NON-CURRENT ASSETS				
Property, plant and equipment	2,000	1,800	1,400	1,000
Intangible assets	18,000	17,100	15,300	13,500
Work in progress – Information management solution	0	200	1,200	1,200
Total non-current assets	20,000	19,100	17,900	15,700
TOTAL ASSETS	20,000	19,429	18,425	16,225
LIABILITIES				
CURRENT LIABILITIES				
Creditors and other payables	0	314	500	500
Employee entitlements	0	15	25	25
TOTAL LIABILITIES	0	329	525	525
NET ASSETS	20,000	19,100	17,900	15,700
EQUITY				
General funds	20,000	20,200	21,200	21,200
Retained funds	0	(1,100)	(3,300)	(5,500)
TOTAL EQUITY	20,000	19,100	17,900	15,700

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$000	Budget 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000
EQUITY – OPENING BALANCES				
General funds	0	20,000	20,200	21,200
Retained funds	0	0	(1,100)	(3,300)
Total equity – opening balances	0	20,000	19,100	17,900
CHANGES IN EQUITY				
Comprehensive income				
Retained funds	0	(1,100)	(2,200)	(2,200)
Owner transactions				
Capital contribution – general funds	20,000	200	1,000	0
Total changes in equity	20,000	(900)	(1,200)	(2,200)
EQUITY – CLOSING BALANCES				
General funds	20,000	20,200	21,200	21,200
Retained funds	0	(1,100)	(3,300)	(5,500)
TOTAL EQUITY – CLOSING BALANCES	20,000	19,100	17,900	15,700

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE

	Projected 2011/12 \$000	Budget 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from National Land Transport Fund revenue	0	950	700	700
Receipts from third party revenue	0	2,121	4,804	5,000
Payments to suppliers	0	(2,786)	(5,014)	(5,200)
Payments to employees	0	(235)	(490)	(500)
Net cash from operating activities	0	50	0	0
NET (DECREASE)/INCREASE CASH AND CASH EQUIVALENTS	0	50	0	0
Cash and cash equivalents at the beginning of the year	0	0	50	50
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	0	50	50	50

NATIONAL LAND TRANSPORT FUND

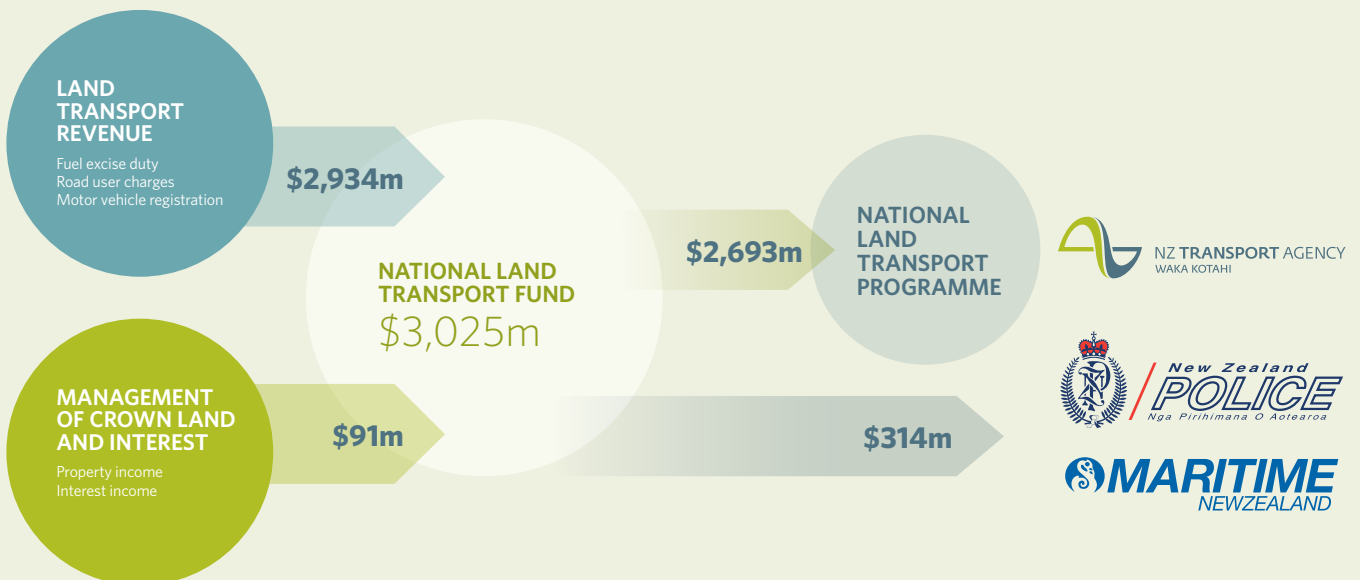
Overview

The National Land Transport Fund is a key tool to facilitate the government's investment on behalf of transport users. All revenue from fuel excise duty, road user charges, motor vehicle registration and licensing fees, revenues from Crown appropriations and management of Crown land, and interest are accounted for in the National Land Transport Fund. The National Land Transport Fund is used to manage:

- the funding of the National Land Transport Programme for:
 - › activities delivered by an approved organisation
 - › state highway activities
 - › research
 - › other NZTA's activities, such as transport planning
- the funding of the NZ Police road policing programme
- the funding of Maritime NZ search and rescue activities.*

*Includes search and rescue activity coordination, and search and rescue and recreational boating safety activities.

FUNDING INFLOWS AND OUTFLOWS 2013/14



PROSPECTIVE FINANCIAL STATEMENTS

NLTF PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$m	Budget 2013/14 \$m	Forecast 2014/15 \$m	Forecast 2015/16 \$m
INCOME INFLOWS^a				
Land transport revenue	2,722	2,934	3,145	3,358
Management of Crown land and interest	88	91	86	95
Total income flows	2,810	3,025	3,231	3,453
OUTFLOWS				
NZTA National Land Transport Programme	1,823	1,864	1,893	1,999
NZTA National Land Transport Programme - capital contribution	715	829	1,089	1,104
NZ Police	287	307	297	297
Search and rescue*	6	7	7	7
Total outflows	2,831	3,007	3,286	3,408
NET SURPLUS/(DEFICIT)	(21)	18	(55)	45

NLTF PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Projected 2012/13 \$m	Budget 2013/14 \$m	Forecast 2014/15 \$m	Forecast 2015/16 \$m
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	38	17	5	0
Debtors	193	206	220	224
Total assets	231	223	225	224
LIABILITIES				
CURRENT LIABILITIES				
Creditors and other payables	424	398	455	409
Total liabilities	424	398	455	409
NET ASSETS	(193)	(175)	(230)	(185)
General funds	(193)	(175)	(230)	(185)
GENERAL FUNDS CLOSING BALANCE^a	(193)	(175)	(230)	(185)

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

*Includes search and rescue activity coordination, and search and rescue and recreational boating safety activities.

NLTF PROSPECTIVE STATEMENT OF CHANGES IN GENERAL FUNDS BALANCE FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$m	Budget 2013/14 \$m	Forecast 2014/15 \$m	Forecast 2015/16 \$m
GENERAL FUNDS OPENING BALANCE	(172)	(193)	(175)	(230)
CHANGES IN GENERAL FUNDS BALANCE				
Net surplus/(deficit)	(21)	18	(55)	45
Total changes in general funds balance	(21)	18	(55)	45
TOTAL GENERAL FUNDS CLOSING BALANCE ^a	(193)	(175)	(230)	(185)

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

NLTF PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE

	Projected 2012/13 \$m	Budget 2013/14 \$m	Forecast 2014/15 \$m	Forecast 2015/16 \$m
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from land transport revenue	2,809	3,011	3,217	3,448
Payments to suppliers	(2,815)	(3,032)	(3,229)	(3,454)
Net cash from operating activities	(6)	(21)	(12)	(5)
Net (decrease)/increase in amounts held by the Crown	(6)	(21)	(12)	(5)
Amounts held by the Crown at the beginning of the year	44	38	17	5
AMOUNTS HELD BY THE CROWN AT THE END OF THE YEAR ^b	38	17	5	0

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

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE FINANCIAL STATEMENTS AND ASSUMPTIONS

Use of information contained in these prospective financial statements

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004, for the purpose of providing information on the National Land Transport Fund's future operating intentions and financial position, against which it must report and be formally audited at the end of the financial year.

The information in these financial statements may not be appropriate for purposes other than those described.

The NZ Transport Agency has complied with financial reporting standard FRS 42 Prospective Financial Statements in the preparation of these National Land Transport Fund prospective financial statements.

These prospective financial statements are based on significant financial assumptions as to future events that the NZ Transport Agency reasonably expects to occur at the time this information was prepared. Any changes to these assumptions during the year will not be reflected in these financial statements.

The reader of this report should note that no actual operating results are contained in these prospective financial statements. Actual results achieved for the forecast periods are likely to vary from the information presented, and that some variations may be material.

The NZ Transport Agency does not intend to update the prospective financial statements subsequent to the publication of these statements.

Statement of significant underlying assumptions

The NZ Transport Agency has made a number of assumptions in preparing the National Land Transport Fund prospective financial statements. The most significant of these are outlined below.

Land transport revenue	Revenue forecasts for fuel excise duty, road user charges and motor vehicle registrations are based on future performance and trends.
Management of Crown land and interest	Forecast revenues are influenced by the management of rental properties and interest income on cash holdings. Assumptions are based on historical performance and trends.
NZTA National Land Transport Programme	The NZTA has developed a National Land Transport Programme for 2012-15. The expenditure for the forecasted out years are most likely to change depending on the progress of the programme.
NZTA National Land Transport Programme - Capital contribution	The NZTA is undertaking a programme of capital spending aimed at improving and renewing the state highway network. Projected costs and timing of expenditure are based on project plans and quotations current when these forecasts were prepared.
Opening equity	Estimated opening equity assumes a 2012/13 year deficit of \$21 million. This impacts on estimated amounts of cash on hand and net assets.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2014

Reporting entity

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

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

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

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

The financial statements of the National Land Transport Fund are for the period 2013-16 and were approved by the Board on 19 June 2013.

Basis of preparation

Statement of compliance

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

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with New Zealand International Financial Reporting Standards (NZ IFRS).

Measurement base

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

Function and presentation currency

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

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

The National Land Transport Fund has adopted all standards, amendments and interpretations to existing standards that have been published and are mandatory for its accounting periods beginning on or after 1 July 2013.

SIGNIFICANT ACCOUNTING POLICIES

Income inflows

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

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

Interest

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

Assets

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

Outflows

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

- › the NZ Transport Agency - for the funding of the National Land Transport Programme.
- › the Police - who provide the Rooding Policing Programme.

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

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

Financial assets

The National Land Transport Fund is a notional account with funds held as part of the total Crown funds.

Cash and cash equivalents

The cash and cash equivalents of the National Land Transport Fund are held by the Crown.

Employee entitlements

The National Land Transport Fund has no employees.

Goods and services tax (GST)

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

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Budget figures

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

STATEMENT OF SERVICE PERFORMANCE - FINANCIALS

OUTPUT CLASS FUNDING TO THE NZ TRANSPORT AGENCY

	Projected 2012/13 \$m	Budget 2013/14 \$m	Forecast 2014/15 \$m	Forecast 2015/16 \$m
Management of the funding allocation system	29	30	30	31
Transport planning	14	16	16	17
Sector research	4	6	5	5
Public transport services	299	316	310	343
Road safety promotion	31	32	32	34
New and improved infrastructure for local roads	150	160	165	191
Renewal of local roads	212	246	246	263
Maintenance and operation of local roads	284	289	293	306
Walking and cycling	12	20	20	21
New and improved infrastructure for state highways	963	1,044	1,303	1,322
Renewal of state highways	188	222	227	226
Maintenance and operation of state highways	353	312	335	345
TOTAL OUTPUT CLASS FUNDING TO THE NZTA	2,539	2,693	2,982	3,103

APPENDIX: SUPPLEMENTARY INFORMATION FOR NON-FINANCIAL MEASURES

This section provides explanation and technical details for non-financial performance measures. These notes are presented by goal and include goal progress indicators, priority indicators, investment service indicators and result performance measures.

Integrating one network for customers – planning the land transport network

GOAL PROGRESS INDICATORS

Efficient and reliable movement of freight

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

Efficient and reliable movement of people

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

Optimal range of travel and transport choices

The % of survey respondents that consider public transport as a good option for taking some or all of their work or study trips in Auckland. This indicator demonstrates the perceived attractiveness of alternative travel choices available to the public. It is a lead indicator for public transport passenger boardings.

STATEMENT OF SERVICE PERFORMANCE MEASURES

Management of the funding allocation system

1. The total cost of the management of the funding allocation system is the NZTA service delivery cost for this output less the cost of taxi enforcement activity and crash analysis system (CAS) business activities which are 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 information online system.
5. The % customer satisfaction demonstrates the percentage of approved organisations' stakeholders (regional, local and unitary authorities, Department of Conservation, Auckland Transport Agency and the Waitangi National Trust) that were satisfied with the relationship between their organisation and the NZTA. This is measured through an independently conducted survey.

Transport planning

6. The % of activities that are delivered to agreed standards and timeframes includes transport planning, studies, strategies and models and activity management planning activities. These components are individually assessed against targets of >90%. Aggregation of these results is based on the weighted volume of activity for each area. The NZTA 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 NZTA assessment criteria and are therefore suitable for support or endorsement by the NZTA. It provides an indication of how well the NZTA manages its transport planning activities to time and cost standards.

Sector research

7. 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 NZTA as a programme manager.

Shaping smart transport choices – providing access to and use of the land transport system

GOAL PROGRESS INDICATORS

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

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

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

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

STATEMENT OF SERVICE PERFORMANCE MEASURES

Licensing and regulatory compliance

8. Unit transaction cost measures the direct unit cost of delivering a driver licence/driver testing transaction/service.
9. The % of transactions completed online is the proportion of practical test bookings completed through the NZTA website divided by the total number of test bookings completed for motor vehicle and motorcycle licences.
10. 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.
11. 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.
12. The % of activities that are delivered to agreed standards and timeframes is an aggregate of six specific dimensions – four audit activities of driver testing agent officers and course providers, transport operators, certifying agents and regulatory compliance and agent service delivery (with targets of >90%); and two completion rates against 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.

13. The number of products and delivered or processed include 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.
14. The % customer satisfaction reflects the proportion of licensing customers who considered it easy to complete their driver licensing test booking via the internet. It is sourced from a feedback survey open to all users of the internet transaction service.

Road tolling

15. Unit transaction cost is the direct unit cost of delivering a toll service. Cost excludes write offs, bad debts and administration fees from toll payment notices.
16. The % of transactions completed online is the proportion of casual trip payments and toll payment notice (TPN) transactions completed through the internet over the total number of trip and TPN payments. Toll payment notices are issued to customers who have not paid their toll fees within 5 days.

Motor vehicle registry

17. The % of transactions completed online is the proportion of motor vehicle annual licensing (new and renewals) purchased over the internet, direct connect and via an industry agent divided by the total number of motor vehicle registrations.
18. 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.
19. The % customer satisfaction reflects the proportion 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 license purchases and off road RUC rebate claims. This is an aggregate figure showing a total of assessment, enforcement and refund activities.

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.

Delivering highway solutions for customers – managing the state highway network

GOAL INDICATORS

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

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

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

STATEMENT OF SERVICE PERFORMANCE MEASURES

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 NZTA as a project manager. Within each programme, time, cost and quality are equally weighted with targets of >90%. Aggregation to the overall result is based on weighted programme expenditure across the components in the given year. Construction of passing opportunities on State Highway 2 between Napier and Gisborne: The % of activities that are delivered to agreed standards and timeframes is based on the proportion of the fund spent according to scope and Vote Transport for new and improved state highway work on Buckle Street in Wellington and on passing lanes between Napier and Gisborne.
- 25: The % of customers' satisfaction demonstrates the percentage of supplier stakeholders that were satisfied with the relationship between their organisation and the NZTA. 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. 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 contracts terminated for non-performance of agreed contractual obligations.
30. Safe stopping: % of travel on network above skid threshold 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 resistant 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 vehicles 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. It is expressed as the sum of all unscheduled road closure incidences (both urban and rural) which have a significant impact on road users addressed within standard timeframes (ie urban < 2 hours; rural <12 hours) and protocol over the total number of road closure incidences.
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 survey with quotas set for target audiences according to age, race, sex and residential region (prescribed numbers are set for each to ensure balance and fairness).

Maximising returns for New Zealand – investing in land transport

PRIORITY INDICATORS

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

STATEMENT OF SERVICE PERFORMANCE MEASURES

Administration of the SuperGold cardholders' 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 Information Online (TIO) or Land Transport Programme (LTP) website by the regional council (RC). 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. % of target audience aware of road user safety messages is a measure based on a computer aided telephone interviewing (CATI) design survey with quotas set for target audiences according to age, race, sex and residential region (prescribed numbers are set for each to ensure balance and fairness). It is currently limited to advertising and television. The scope to include other communication media such as print, web (eg YouTube) and phone (eg Twitter) is currently being considered.

New Zealand Transport Ticketing Limited

STATEMENT OF SERVICE PERFORMANCE MEASURES

New Zealand Transport Ticketing Limited (NZTTL) central systems operations

37. The % of activities that are delivered to agreed standards and timeframes is a measure of NZTTL to deliver the project within agreed budget and timeframes. Refer page 91 for description of NZTTL's activities.

STRATEGIC GOAL SUCCESS INDICATORS (2013-16)

The following sections detail the key progress indicators for the NZTA goals. The NZTA seeks to deliver desired results for all of our key progress indicators. For the Statement of intent 2013-16 we intend to focus on 5 priorities – Safe speeds to reduce deaths and serious injuries, moving more freight on fewer trucks, making the most of urban network capacity, efficient road maintenance investment and delivery, and putting customers at the heart of our business. For each of our strategic priorities we have set ourselves challenging three-year stretch targets.

INTEGRATING ONE NETWORK FOR CUSTOMERS - PLANNING THE LAND TRANSPORT NETWORK

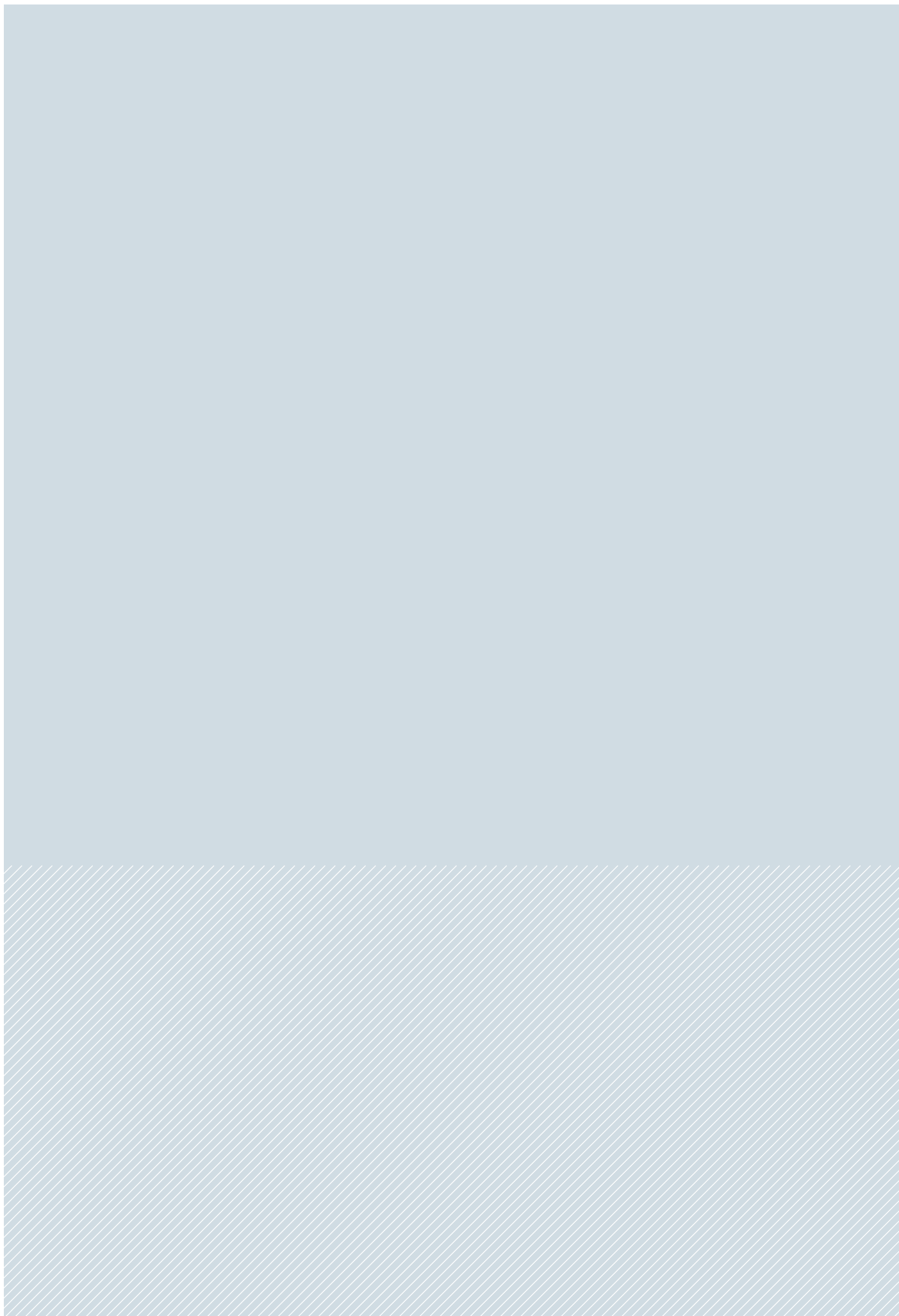
INDICATOR																			
<p>Efficient & reliable movement of freight: % of travel by HPMVs of total heavy vehicle VKT</p>	<p>Kms travelled by HPMVs as a % total of total HCV kms travelled</p> <table border="1"> <caption>Kms travelled by HPMVs as a % total of total HCV kms travelled</caption> <thead> <tr> <th>Date</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>May 2010</td> <td>0.00</td> </tr> <tr> <td>Dec 2012</td> <td>6.80</td> </tr> </tbody> </table>	Date	Percentage	May 2010	0.00	Dec 2012	6.80												
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<p>Optimal range of travel and transport choices: % of survey respondents that consider public transport as a good option for taking some or all of their work or study trips in Auckland</p>	<p>Public transport as a good option for all or most work/study trips in Auckland</p> <table border="1"> <caption>Public transport as a good option for all or most work/study trips in Auckland</caption> <thead> <tr> <th>Year</th> <th>% of Respondents</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>7.0</td> </tr> <tr> <td>2002</td> <td>11.0</td> </tr> <tr> <td>2004</td> <td>12.0</td> </tr> <tr> <td>2006</td> <td>12.5</td> </tr> <tr> <td>2008</td> <td>12.0</td> </tr> <tr> <td>2010</td> <td>17.0</td> </tr> <tr> <td>2011</td> <td>14.5</td> </tr> <tr> <td>2012</td> <td>14.5</td> </tr> </tbody> </table>	Year	% of Respondents	2000	7.0	2002	11.0	2004	12.0	2006	12.5	2008	12.0	2010	17.0	2011	14.5	2012	14.5
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SHAPING SMART TRANSPORT CHOICES - PROVIDING ACCESS TO AND USE OF THE LAND TRANSPORT SYSTEM

INDICATOR																																					
<p>Safe speeds: Deaths and serious injuries on undivided open roads (80-100km/h)</p>	<p>Deaths and serious injuries in crashes on open roads</p> <table border="1"> <caption>Deaths and serious injuries in crashes on open roads</caption> <thead> <tr> <th>Year</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>1550</td> </tr> <tr> <td>2009</td> <td>1600</td> </tr> <tr> <td>2010</td> <td>1500</td> </tr> <tr> <td>2011</td> <td>1350</td> </tr> <tr> <td>2012</td> <td>1380</td> </tr> </tbody> </table>	Year	Number	2008	1550	2009	1600	2010	1500	2011	1350	2012	1380																								
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<p>Using roads safely: Deaths and serious injuries in alcohol/drug related crashes</p>	<p>Fatal or serious injuries in alcohol/drug crashes</p> <table border="1"> <caption>Fatal or serious injuries in alcohol/drug crashes</caption> <thead> <tr> <th>Year</th> <th>Per 100,000 population per year</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>16</td> </tr> <tr> <td>2008</td> <td>16</td> </tr> <tr> <td>2009</td> <td>16</td> </tr> <tr> <td>2010</td> <td>15.5</td> </tr> <tr> <td>2011</td> <td>12.5</td> </tr> <tr> <td>2012</td> <td>12.5</td> </tr> </tbody> </table>	Year	Per 100,000 population per year	2007	16	2008	16	2009	16	2010	15.5	2011	12.5	2012	12.5																						
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<p>Using safer vehicles: Percentage of new vehicles with five star safety rating</p>	<p>New cars with 5 star rating</p> <table border="1"> <caption>New cars with 5 star rating</caption> <thead> <tr> <th>Year</th> <th>% of new cars entering the fleet</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>30</td> </tr> <tr> <td>2009</td> <td>52</td> </tr> <tr> <td>2010</td> <td>54</td> </tr> <tr> <td>2011</td> <td>58</td> </tr> <tr> <td>2012</td> <td>72</td> </tr> </tbody> </table>	Year	% of new cars entering the fleet	2008	30	2009	52	2010	54	2011	58	2012	72																								
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<p>Making efficient use of vehicles: Average petrol and diesel consumption (litres) per 100 vehicle kilometres travelled</p>	<p>Average consumption per 100 vehicle kilometres</p> <table border="1"> <caption>Average consumption per 100 vehicle kilometres</caption> <thead> <tr> <th>Year</th> <th>Petrol (litres)</th> <th>Diesel (litres)</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>10.75</td> <td>17.5</td> </tr> <tr> <td>2002</td> <td>10.82</td> <td>18.0</td> </tr> <tr> <td>2003</td> <td>10.65</td> <td>18.5</td> </tr> <tr> <td>2004</td> <td>10.35</td> <td>19.0</td> </tr> <tr> <td>2005</td> <td>10.45</td> <td>18.0</td> </tr> <tr> <td>2006</td> <td>10.48</td> <td>18.5</td> </tr> <tr> <td>2007</td> <td>10.45</td> <td>18.5</td> </tr> <tr> <td>2008</td> <td>10.52</td> <td>19.0</td> </tr> <tr> <td>2009</td> <td>10.52</td> <td>18.5</td> </tr> <tr> <td>2010</td> <td>10.55</td> <td>18.5</td> </tr> <tr> <td>2011</td> <td>10.62</td> <td>18.0</td> </tr> </tbody> </table>	Year	Petrol (litres)	Diesel (litres)	2001	10.75	17.5	2002	10.82	18.0	2003	10.65	18.5	2004	10.35	19.0	2005	10.45	18.0	2006	10.48	18.5	2007	10.45	18.5	2008	10.52	19.0	2009	10.52	18.5	2010	10.55	18.5	2011	10.62	18.0
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DELIVERING HIGHWAY SOLUTIONS FOR CUSTOMERS - MANAGING THE STATE HIGHWAY NETWORK

INDICATOR															
<p>Safe highway journeys: Number of deaths and serious injuries in head-on and run-off road crashes</p>	<p>Deaths and serious injuries in head-on and run-off crashes</p> <table border="1"> <caption>Deaths and serious injuries in head-on and run-off crashes</caption> <thead> <tr> <th>Year</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>1100</td> </tr> <tr> <td>2009</td> <td>1100</td> </tr> <tr> <td>2010</td> <td>1000</td> </tr> <tr> <td>2011</td> <td>900</td> </tr> <tr> <td>2012</td> <td>950</td> </tr> </tbody> </table>	Year	Number	2008	1100	2009	1100	2010	1000	2011	900	2012	950		
Year	Number														
2008	1100														
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2010	1000														
2011	900														
2012	950														
<p>Efficient & reliable highway journeys: Number of resolved road closures with a duration of 12 hours or longer</p>	<p>Resolved state highway closures of more than 12 hours</p> <table border="1"> <caption>Resolved state highway closures of more than 12 hours</caption> <thead> <tr> <th>Year</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>155</td> </tr> <tr> <td>2010</td> <td>80</td> </tr> <tr> <td>2011</td> <td>50</td> </tr> <tr> <td>2012</td> <td>90</td> </tr> </tbody> </table>	Year	Number	2009	155	2010	80	2011	50	2012	90				
Year	Number														
2009	155														
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2012	90														
<p>Social & environmentally responsible highways: % compliance with state highway consent conditions</p>	<p>Full compliance with state highway resource consent conditions</p> <table border="1"> <caption>Full compliance with state highway resource consent conditions</caption> <thead> <tr> <th>Quarter</th> <th>% of Total (Less Pending)</th> </tr> </thead> <tbody> <tr> <td>11Q2</td> <td>68</td> </tr> <tr> <td>11Q3</td> <td>69</td> </tr> <tr> <td>11Q4</td> <td>70</td> </tr> <tr> <td>12Q1</td> <td>73</td> </tr> <tr> <td>12Q2</td> <td>75</td> </tr> <tr> <td>12Q3</td> <td>78</td> </tr> </tbody> </table>	Quarter	% of Total (Less Pending)	11Q2	68	11Q3	69	11Q4	70	12Q1	73	12Q2	75	12Q3	78
Quarter	% of Total (Less Pending)														
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12Q3	78														





NZ TRANSPORT AGENCY
WAKA KOTAHI

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

