

A photograph showing a worker in a tunnel or underpass. The worker, wearing a blue shirt, dark trousers, and a blue hard hat, is standing on a metal platform and looking up at a large, circular, metallic structure, possibly a manhole cover or a vent. The ceiling of the tunnel is high and made of concrete, with various pipes and structural elements visible. On the left side, there is a red fire extinguisher mounted on a wall. The lighting is somewhat dim, coming from the worker's headlamp and some fixtures on the ceiling.

SECTION B: STATEMENT OF SERVICE PERFORMANCE

STATEMENT OF RESPONSIBILITY

In terms of the Land Transport Management Act 2003, the Board of the NZ Transport Agency is responsible for the preparation of the National Land Transport Fund financial statements and statement of service performance, and for the judgements made in them.

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

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the National Land Transport Fund for the year ended 30 June 2012.

Signed on behalf of the Board:



Chris Moller
Chair
NZ Transport Agency
24 OCTOBER 2012



Jerry Rickman
Chair of Audit, Risk and
Assurance Board Committee
NZ Transport Agency
24 OCTOBER 2012

Countersigned by:



Geoff Dangerfield
Chief Executive
NZ Transport Agency
24 OCTOBER 2012



Paul Helm
Chief Financial Officer
NZ Transport Agency
24 OCTOBER 2012

SUMMARY OF NLTF INVESTMENT PERFORMANCE

In 2011/12, 15 of our 22 investment performance targets (excluding the Road Policing Programme) were met. Several environmental factors have influenced these results including:

- › unanticipated NLTF revenue shortfalls that resulted in a moratorium on new project approvals with implications for the NLTP delivery schedule
- › rising input costs which pushed up road operation and maintenance costs and lowered output levels within a revenue constrained environment
- › an increased number of significant national disasters which have driven up emergency re-instatement costs over and above that previously expected.

A full summary of the NZTA's performance measures can be found in the statement of service performance in the *NZTA annual report*.

KEY INVESTMENT HIGHLIGHTS FOR 2011/12

Management of funding allocation system

The total cost of managing the funding allocation system was marginally above the <1% of the total annual fund target (excluding Road Policing Programme). This marginal variance is primarily due to expenditure exceeding the budget and overall expenditure in the third year of the NLTP being reduced. This was due to increasing the budget in the first two years in response to the impact of the global economic crisis on the sector and the moratorium placed on new works as a result of unexpected cash flow difficulties.

State highway network

The state highway improvements area has performed well over the year. We have continued to manage our expenditure downwards as available revenue has decreased and the majority of planned construction completions were achieved. Despite the uncertainty around revenue this financial year, and the number of large scale projects currently active within the programme, the NZTA was still able to complete the year within 2.5% of its final financial target. We have continued to invest in our highest priority activities with around 65% of our investment this year focused on the development and delivery of the RoNS programmes.

Renewals for state highways achieved all performance targets for the year. Focus has been on more targeted treatments for local conditions in order to deliver the most appropriate level of service for our customer, directed at higher traffic volume highways.

All performance targets were met for maintenance and operation of the state highways. Road maintenance works and active management of traffic flow incidents and events has ensured that state highways were available for use 99.5% of the time. For instance, access to alternative routes adjacent to the Manawatu Gorge was provided while 380,000 square metres of slip in the gorge was cleared, and damaged bridges were replaced to restore the state highway between Palmerston North and Woodville.

Sector training and research

Overall, 97% of sector training and research activities were delivered to agreed standards and timeframes during the 2011/12 year. Research activities were measured against three components – agreed cost, peer reviews completed, and timeliness. Cost and peer reviews achieved 100%, and project timing achieved 83%, resulting in a 94% rating for research programme activities.

This, averaged with sector training's 100%, resulted in the overall mark of 97% for the delivery of sector training and research activities to agreed standards and timeframes. This was a remarkable outcome given the considerable research programme activity during the year which included publishing 44 new research reports, completing 30 research projects, commissioning and procuring 21 new contracts and actively managing 35 projects.

Transport planning

The timeliness target for transport planning was not met as the programme was slowed to enable better integration with key regional planning work including the Auckland Plan. Regional and unitary councils completed and consulted on 17 regional land transport programmes in preparation for the development of the 2012-15 NLTP. The NZTA contributed and invested in Wellington planning and Christchurch recovery planning and sub-regional transport plans for the Auckland southern initiative area, central Auckland and Wellington's passenger transport spine.

Road user safety

Road user safety achieved or exceeded two of its three performance targets despite difficulty in measuring the perception of the target audience. The Legend (ghost chips) advertisement has been recognised nationally and internationally, receiving multiple recognitions including a number of international and national awards. The intensive public information campaign in March to communicate the changes to the Give Way Rule was very successful and the campaign was shortlisted as a finalist in the Public Sector Award at the 2012 TVNZ Marketing Awards.

Public transport

Public transport services has achieved or exceeded all of its investment performance targets. Public transport infrastructure performance did not meet its timeliness target mainly due to slower than anticipated delivery of key large public infrastructure projects specifically in rail and public transport technology-related projects such as the National Integrated Ticketing Programme.

Local road networks

Nine out of 13 targets for new infrastructure, renewals, maintenance and operations were achieved. New and improved infrastructure for local roads achieved its performance targets by completing and improving 230 lane kilometres of new roads. Length of bridge replacement was less than the previous year due in part to the moratorium on new projects. Renewal of local roads has achieved four out of seven performance targets for the year. Overall, performance results show stable network outcomes and similar costs per measured network unit to the previous year.

Emergency works expenditure dominated the maintenance and operation of local roads for a second year in a row. The Canterbury earthquake response was larger than expected and combined with a small increase in routine maintenance activities, resulted in over-expenditure.

Walking and cycling

This activity class has been affected by the moratorium on new project approvals, which is reflected in the reduced length of new paths and lanes. 65.3 kilometres of new footpaths and cycle paths were completed during 2011/12 against a target of 140-170 kilometres.

ROAD POLICING PROGRAMME

Road Policing Programme

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

The NZTA prepares the Road Policing Programme with NZ Police and recommends it to the Minister of Transport for approval. The NZTA also monitors and reports on the delivery of the programme, as designated by the Secretary of Transport.

The Road Policing Programme contributes to 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 roading asset (again by enforcing the law), to more efficient freight supply chains and the resilience and security of the transport network.

The key achievements for the Road Policing Programme were:

- › Finalised and published the 2011/12 Road Policing Programme – which piloted the implementation of the new outcome investment approach for NLTF funded activities, as recommended by the Road Policing Class Activity Review.
- › Developed the 2012–15 Road Policing Programme which took a step-change in improving alignment with the outcome investment approach and the Road Policing Activity Class Review.
- › Developed and applied a new quarterly reporting framework for NZTA's quarterly reports to the Minister of Transport on NZ Police delivery of the 2011/12 Road Policing Programme. Building on this, the framework was further developed for application to quarterly reporting in 2012/13.

For full details of NZ Police activities, including the Road Policing Programme, see the 2011/12 NZ Police annual report.

PERFORMANCE MEASURES (reproduced from the NZ Police 2011/12 annual report)

Actual 2010/11	Performance measure	Actual 2011/12	Performance standard 2011/12
STRATEGIC ROAD POLICING			
2,241,952	Number of compulsory breath tests conducted *	Not available **	2,000,000
1,023,162	Number of mobile breath tests conducted *	Not available **	700,000
*	Number of breath alcohol tests conducted *	2,864,380 **	2,700,000
New measure for 2011/12	Percentage of roadside inspection reports for all heavy motor vehicles inspected that are entered into the NZTA Road Inspection database within 20 working days	96%	100%
100%	Percentage of all commercial vehicle combinations stopped by Commercial Vehicle Investigation Unit (CVIU) staff, and for which vehicle inspection reports are completed	94%	100%
COMMUNITY ENGAGEMENT ON ROAD SAFETY			
88%	Percentage of all schools contacted by police education officers and/or in receipt of school road safety education sessions	91%	100%
ROAD POLICING INCIDENT AND EMERGENCY MANAGEMENT			
78,608	Number of traffic incidents, blockages and breakdowns attended	77,462	80,000-90,000
New measure for 2011/12	Median response time to emergency traffic events in urban policing areas	8 minutes 36 seconds	8-9 minutes
New measure for 2011/12	Median response time to emergency traffic events in rural policing areas	10 minutes 54 seconds	12-14 minutes
Nil	Number of complaints upheld against the police relating to attendance at traffic emergencies and disasters	Nil	Fewer than 5
ROAD POLICING RESOLUTIONS			
New measure for 2011/12	Number of traffic cases prosecuted	69,797	Benchmark to be established in 2011/12
1	Number of complaints upheld relating to the execution of road policing court documents	Nil	Nil

Notes

- * From this year, police will report a combined result for CBTs and MBTs, and will introduce a new measure based on information from sniffer units used by frontline police officers. The sniffer unit counts are electronically recorded when a breath test is conducted and test volumes are downloaded and reported to police every six months by the manufacturer of the units.
- ** Police currently report two different alcohol breath testing measures. This includes: (1) an overall total number of alcohol breath tests conducted on an annual basis (reported in the *NZ Police annual report*); (2) the number of compulsory breath tests and mobile breath tests undertaken each quarter (included in the *Road Policing Programme quarterly report*). This information is captured in different ways, and to different timeframes to meet wider organisational needs, meaning the two reported results are not comparable. Work is underway to simplify and align measurement of this result in the future.

HOW IS THE MONEY SPENT?

Road safety programme for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Budget \$000
288,000	Total revenue	297,593	298,455
288,000	Total expenses	297,593	298,455
-	Net surplus (deficit)	-	-

The expenditure figures are based upon unaudited returns from the NZ Police. Any subsequent surplus has to be carried forward and applied to the next year.

HOW DO WE ASSESS OUR INVESTMENT PERFORMANCE? ^{1,2}	Actual 2011/12	Forecast	Variance 2011/12	Actual 2010/11
Number of disqualified, unlicensed, fleeing or racing drivers in fatal/serious crashes	226	Reducing trend	-9	235
Number of young drivers killed per 100,000 15–24 year olds	6.3	Reducing trend	-1.3	7.6
ACC entitlement claims on the motor vehicle account from motorcyclists	970	Reducing trend	-90.3	1,059
Fatalities or serious injuries in crashes with alcohol/drugs per 100,000 population	12.3	Reducing trend	-1.8	14.1
Percentage of vehicles exceeding 100km/h and 50km/h limits	31% > 100km/h 59% >50km/h	Reducing trend	+2% > 100km/h 1% >50km/h	29% > 100km/h 58% >50km/h
Percentage of vehicle occupant deaths where restraints have not been worn (three-year measure)	31%	Reducing trend	-4%	35%
Fatal/serious heavy vehicle crashes where driver is at fault, per 100 million heavy vehicle kilometres travelled	4.9	Reducing trend	-0.1	5.0
Percentage of new vehicles with five-star safety rating	66%	Increasing trend	+11%	55%
Number of 100,000 population of pedestrians/cyclists killed or seriously injured enough to be hospitalised for longer than one day	9.6	Reducing trend	-0.5	10.1
Fatalities and serious injuries in fatigue and/or distraction crashes per 100,000 population	13	Reducing trend	-	13
Number of road users aged 75 years and over killed in road crashes per 100,000	13	Reducing trend	+2	11

1 Two indicators published in the 2011–14 *Statement of intent* – fatal or serious injury crashes on high-risk KiwiRAP state highway routes, and % of fatal and serious injury crashes attended by NZ Police, will not be reported as the measure is reported once every three years.

2 12 months to March.

HOW DO WE INTERPRET THESE PERFORMANCE RESULTS?

NLTF investment

Road policing achieved eight of the 11 core desired outcome trends. Variance to the desired trends include:

- › Fatalities and serious injuries in fatigue and/or distraction crashes per 100,000 population. There has been no change to this trend over the past year.
- › The percentage of vehicles exceeding 100km/h and 50km/h limits increased by 2% and 1% respectively. While this is considered significant in safety terms, the NZTA, together with NZ Police, are working to reduce this by targeting investments in road policing safe speed campaigns. Additionally, with the second Safer Journeys Action Plan that identified safer speeds as one of its priority areas, a more focused and stronger delivery of safer speeds interventions is expected. The action plan is expected to be delivered early 2013.

- › The number of road users aged 75 years and over killed in road crashes per 100,000 population increased slightly from 11 to 13. However, the longer term view indicates a reducing trend. The average annual rate within the current NLTP period (2009–2012) is 1.2% less than the average rate of the previous NLTP (2008–2009).

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

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