

2011/12 YEAR IN REVIEW

Highlights from the 2011/12 annual reports for the NZ Transport Agency and the National Land Transport Fund.



OUR PURPOSE

CREATING TRANSPORT SOLUTIONS FOR A THRIVING NEW ZEALAND



NZ TRANSPORT AGENCY
WAKA KOTAHI

NZ Transport Agency (NZTA)

Published October 2012

ISBN 978-0-478-39490-0 (online)

ISBN 978-0-478-39491-7 (print)

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We are New Zealand's transport agency, and every New Zealander is our customer. We're proud of the progress we've made during 2011/12 in building a safer, more efficient and more reliable transport system that delivers value for money.

Our year in review brings together highlights from the 2011/12 annual reports for the NZTA and the National Land Transport Fund, which is the primary source of central government funding for the land transport system.



Both annual reports are also available online.

VISIT www.nzta.govt.nz/resources/annual-report-nzta/index.html

OUR STRATEGY

The government's long-term outcomes for the transport sector:

The NZTA contributes to government's overarching goal of growing the New Zealand economy to deliver greater prosperity, security and opportunities for all New Zealanders.

- An efficient transport system that supports the government's goal of high levels of economic productivity, provides strong international connections for freight, business and tourism, and meets international obligations.
- A sustainable funding basis for transport infrastructure investments and use.
- A high-quality transport system for Auckland, the nation's economic hub.
- An accessible and safe transport system that contributes positively to the nation's economic, social and environmental welfare.

We work to help deliver the government's long-term outcomes and immediate priorities through our strategy - the NZTA 5.

NZTA
5

1

WHY WE ARE HERE**1 PURPOSE**

Creating transport solutions for a thriving New Zealand

We help New Zealand thrive when we contribute to achieving eight long-term impacts:

- Better use of existing transport capacity.
- More efficient freight supply chains.
- A resilient and secure transport network.
- Easing of severe urban congestion.

- More efficient vehicle fleets.
- Reduction in deaths and serious injuries from road crashes.
- More transport mode choices.
- Reduction in adverse environmental effects from land transport.

2

WHO WE SERVE**2 CUSTOMER GROUPS****1. Individuals**

We help people make the best use of New Zealand's transport system - whether they are drivers, passengers, people getting their WoF, licence or registering their vehicle, or businesses that need permits or commercial operator licences.

2. New Zealand communities

We help plan cities that are easier to get around, we build new highways, we invest in roads, public transport, walking and cycling in regions and towns, and we make the roads safer. We do this by working with our stakeholders.

We want our customers and stakeholders to be satisfied that:

- we deliver services and solutions that are convenient, effective and efficient and that represent good value for money
- we help them make more efficient, effective and safe transport choices
- we listen to them and consider their views even when, in the end, we might not provide the answer or investment decision they had hoped for.

3

HOW WE WORK**3 BEHAVIOURS**

To help build the effectiveness of our organisation, we have developed three behaviours:

1. Sign up - We commit to where we are going and we put our heart into what we do. We get engaged every day.

2. Team up - We enjoy the people we work with and appreciate their talents. We find solutions for our customers with joined up thinking.

3. Front up - We are courageous. We tackle the difficult issues. We know our value and bring it to our work with confidence and good judgement.

Our Organisational Development Strategy focuses on building a high-performing culture, by:

- developing our people, because what distinguishes a great organisation is the calibre of its people
- working with others really well, because we engage with a wide range of stakeholders and customers every day
- achieving together, because we need to offer customers and stakeholders an NZTA that is 'joined up'.

4

WHAT WE DO**4 FUNCTIONS**

Our core business over the longer term is:

1. Providing access to and use of the land transport system

Shaping smart choices

We are helping shape the transport choices that people make by providing good information and encouraging them to travel safely and efficiently. We want to work cooperatively with other network operators to unlock the land transport system's contribution to a thriving New Zealand.

2. Planning the land transport networks

Integrating one network

We are integrating land use and transport planning so that there are many ways to get around our towns and cities seamlessly - walking, cycling, using public transport or motor vehicles. We also want to ensure New Zealand has a resilient transport infrastructure backbone.

3. Investing in land transport

Maximising return for New Zealand

We are making smart investments in the national, regional and local land transport system because we need to ensure every dollar we spend helps New Zealand thrive. Together with our partners we allocate funds to advance national and regional transport objectives.

4. Managing the state highway network

Delivering highway solutions for customers

We are ensuring that each state highway plays its part in the wider transport network and provides safe and reliable journeys. Over time we want to improve the experiences that people have on our highways, and recognise the different needs of freight, commuters, tourists, business and leisure travellers.

5

OUR IMMEDIATE FOCUS**5 STRATEGIC PRIORITIES****1. Planning for and delivering roads of national significance**

Plan for and substantially deliver by 2020 seven new roads on some of the most important parts of the state highway network.

2. Improving the road safety system

Help deliver Safer Journeys by implementing a Safe System approach to reduce serious injuries and deaths on our roads.

3. Improving customer service and reduce compliance costs

Focus our efforts on providing high levels of customer service while being smart about reducing costs.

4. Improving the effectiveness of public transport

Lift the effectiveness of public transport services to better use existing transport capacity and ease congestion in our big cities.

5. Improving the efficiency of freight movements

Contribute to a significant improvement in safe and efficient access of freight to markets.

**OUR
OPERATING
ENVIRONMENT
IN 2011/12**

1.7%

**growth in economic activity
boosted by high prices for
soft commodities and more
spending by households.**
(Based on latest available
figures to March 2012.)

0.9%

**growth in transport, postal
and communication services.**
(Based on latest available
figures to March 2012.)

8.0%

**contraction in residential
and non-residential
building activity.**

27,900

**more people living in New Zealand
for the year ended June 2012,
but the rate of population
growth slowed to 0.6%.**

13.7%

**of people living in
New Zealand aged 65 or
over as at June 2012.**

15th

out of 125 countries for innovation. (International Business School, INSEAD and the World Intellectual Property Organisation.)

25th

out of 142 countries for global competitiveness. (World Economic Forum.)

50th

out of 132 countries for how its environmental matters have trended. (Yale Centre for Environmental Policy.)

1.0%

increase in heavy vehicle counts on the state highway network for the year ended June 2012 points to further improvements in the economy.

8.6%

reduction in the number of fatalities on New Zealand roads for the year ending 30 June 2012 reflects the continuance of a positive trend in road safety.

2.4%

increase in heavy and civil engineering prices reflects higher input costs as at June 2012, notably for skilled labour in anticipation of the Christchurch rebuild.

OUR ACTIVITIES

\$868.5

MILLION
INVESTED IN
ROAD USER
SAFETY

\$868.5 million was invested in road user safety in 2011/12, covering policing, road safety promotion and specific benefits from road, public transport, cycling and walking, infrastructure improvements, maintenance and operations.

1,344

KILOMETRES
OF STATE
HIGHWAY
RENEWED

1,344 kilometres of state highway were renewed in order to maintain the safety and integrity of the state highway network. Renewal works are prioritised to address the differing needs of each state highway classification.

19,758

MILLION
VEHICLE
KILOMETRES

19,758 million vehicle kilometres were travelled (all vehicles) on the state highway network in 2011/12 – a 1% decrease from 2010/11. The economic environment, higher average energy prices and the impact of the Christchurch earthquakes were some of the contributors to a slight decline in travel by all vehicles.

1.995

MILLION
VEHICLE
KILOMETRES

1.995 million vehicle kilometres were travelled by heavy vehicles on the state highway network in 2011/12 – an increase of almost 3.0% from 2010/11. A relatively strong export performance in the early part of the year followed by small improvements in domestic demand towards the end of the year pushed travel by heavy vehicles higher.

\$2,363

MILLION
INVESTED
BY NLTF

The National Land Transport Fund invested \$2,363 million (excluding expenditure on the NZ Police Road Policing Programme) in the year ended 30 June 2012.

147,811

ROAD USER
CHARGES LICENCES
PURCHASED
ONLINE

147,811 road user charges licences were purchased online – an increase of 35.2% during the year ended 30 June 2012. It is anticipated that the volume of online transactions will continue to grow.

898,721

ONLINE MOTOR
VEHICLE
REGISTRATION
TRANSACTIONS

898,721 motor vehicle registration transactions were completed online – an increase of 31% during the year ended 30 June 2012. We expect that the volume of online transactions will continue to grow.

70

MILLION
PUBLIC TRANSPORT
BOARDINGS IN
AUCKLAND

70 million public transport boardings in Auckland (bus, train and ferry) for the year ended March 2012. The NZTA provides up to 50% funding assistance for public transport trips and in the last year spent just over \$231 million nationally with approximately the same amount coming from local government.

OUR FINANCES

WE HAVE ENDED THE FINANCIAL YEAR TO 30 JUNE 2012 WITH A NET SURPLUS OF \$41.38 MILLION, COMPARED WITH A DEFICIT OF \$34.69 MILLION IN THE PREVIOUS YEAR.

Further information and analysis of our results is provided under 'Highlights from our financial statements' on pages 95 to 97.

\$2 BILLION TOTAL INCOME

Our total income was \$76.7 million higher than in 2010/11. This was essentially due to the Crown's increased investment in the reinstatement of roads in Canterbury.

\$1.95 BILLION TOTAL EXPENDITURE

Our total expenditure was at a similar level to 2010/11. Investment in local roads was lower than in 2010/11, but this was offset by higher spending on public transport and state highway maintenance (largely due to emergency works).

\$26.50 BILLION TOTAL ASSETS

The total value of our assets is \$744.9 million higher than in 2010/11 due to an increase in the valuation of the state highway network.

\$1.09 BILLION CAPITAL EXPENDITURE

Our capital expenditure was \$289.6 million lower than in 2010/11 in line with our state highways programme for 2011/12. The 2009-12 National Land Transport Programme (NLTP) is a three-year programme of work in which the early years workload was accelerated. To balance back to the target, the programme was reduced in the final year (2011/12).

REPORT FROM THE CHAIR

I am pleased to present the 2011/12 annual report for the NZ Transport Agency (NZTA). This report underscores another solid year of achievement against the milestones set out in the *Statement of intent*. The continued emphasis on activities that promote economic growth and productivity, improve road user safety and provide value for money has put the NZTA in a strong position to deliver on the government's priorities for the land transport system.

The achievements highlighted in this report reflect the NZTA's focus on planning and delivering a land transport network and services that provide transport users with positive travel experiences that are increasingly safer, and more efficient and reliable. They also reflect the NZTA's ongoing dedication to delivering customer-focused services and solutions that represent good value for money.

Our success reflects a team effort, and I want to acknowledge the efforts of the NZTA's staff and my colleagues on the Board in helping to create transport solutions for a thriving New Zealand. We have an ambitious work programme ahead of us and have the commitment and capability to deliver it.

Chris Moller
Chair
NZ Transport Agency

NZTA BOARD MEMBERS

The NZTA is a Crown entity governed by a board appointed by the Minister of Transport.

Chris Moller
Chair (Wellington)



Tony Lanigan
(Auckland)



Patsy Reddy
Deputy Chair,
Chair of the
Remuneration and
Human Resources
Board Committee
(Wellington)



Jerry Rickman
Chair of the
Audit, Risk and
Assurance Board
Committee
(Hamilton)



Gill Cox
(Christchurch)
from 1 September
2011



Alick Shaw
Chair of the
Investment
and Operations
Board Committee
(Wellington)



Bryan Jackson
(Waikanae)



**Adrienne
Young-Cooper**
(Auckland) from
1 August 2011



REPORT FROM THE CHIEF EXECUTIVE

I don't tend to dwell on statistics, but certain numbers just jump off the page for me.

\$868 million – that's what we invested in 2011/12 in activities that will deliver road user safety benefits. We're committed to improving road safety to address the rate of death and serious injury on New Zealand roads.

\$12.28 billion – this represents what we expect to invest in land transport services and infrastructure over the 2012-15 period. This investment will deliver transport solutions that will help communities across New Zealand thrive.

898,721 – that's the number of motor vehicle registrations that were completed online in 2011/12. We're working hard to make it easier for customers to do business with us.

Behind these numbers, and what's at the heart of our business, are the individuals and communities who depend on a safe, reliable and efficient land transport system. That makes every New Zealander our customer. And we take that responsibility seriously.

Our work spans everything from helping a new driver complete their licence application to working with cities on how they plan and fund their transport needs. We build the roads that underpin New Zealand's economic growth and prosperity and we work hard to make our transport system as effective as possible.

Our work is certainly bearing fruit: the road toll has declined significantly in recent years; we've lifted freight productivity across the transport sector; we've made significant contributions to public transport; we've made strides in delivering the roads of national significance; and we continue to respond to customers' desire for reliable and efficient travel choices.

Looking ahead, the recently announced \$12.28 billion 2012-15 National Land Transport Programme (NLTP) represents our planning and investment partnership with local authorities over the next three years. This NLTP investment will see us working closely with our partners to contribute to New Zealand's economic growth, provide customers with increasingly safer journeys, and deliver value for money in everything we do.

Our business is not without its challenges. Our investment activities are revenue-dependent. Our primary revenue sources are road user charges, fuel excise duty and motor vehicle registry fees. When revenue from those sources is less than what's forecast, it squeezes our ability to maintain our planned investment levels.

Having clearly defined priorities is critical to guiding how we respond to the inevitable challenges. These priorities also serve as our roadmap for how we will deliver transport solutions for a thriving New Zealand.

What follows is a quick rundown on our priorities and some of our achievements from the 2011/12 year.

\$868

MILLION

ON ROAD SAFETY

\$12.28

BILLION

ON LAND TRANSPORT SERVICES AND INFRASTRUCTURE

898,721

ONLINE MOTOR VEHICLE REGISTRATIONS



THE RECENTLY ANNOUNCED
\$12.28 BILLION 2012-15 NLTP
REPRESENTS OUR PLANNING AND
INVESTMENT PARTNERSHIP WITH
LOCAL AUTHORITIES OVER THE NEXT
THREE YEARS.

IMPROVING CUSTOMER SERVICE WHILE REDUCING COMPLIANCE COSTS

We want our customers to have positive experiences whenever they interact with us.

Great customer service means getting things right the first time, and it means making it easy for customers to access our services. We're working hard to embed a customer-focused culture, where customers are front-of-mind in every aspect of our business. We're definitely headed in the right direction.

Great customer service also means helping people make informed travel choices. One way we've done this is by teaming up with Auckland Transport in a Joint Traffic Operations Centre, which manages the entire greater Auckland transport network and provides a one-network approach to guiding people and goods efficiently throughout the region.

Still in the Auckland region, we've improved customer experiences and reduced both travel times and costs in the past year by completing major infrastructure projects such as the Victoria Park Tunnel, improving services on the Newmarket Viaduct and opening the Ellerslie train station.

We've also invested in real-time traffic information up and down the country to help commuters, freight operators and tourists alike make travel choices that reflect their needs.

Our online services, which are designed to make it easy to do business with us, are increasingly popular. In 2011/12, we met or exceeded our specific targets in the areas of licensing, registration and road user charges and we upgraded our online platform, which will allow more self-serve options in the future.

Looking ahead, we're teaming up with the Ministry of Transport to identify ways to deliver a simpler and more efficient vehicle licensing system, which covers vehicle registration, warrant of fitness, certificate of fitness and transport services licensing. Reforming the current system has the potential to save businesses and households both time and money, while taking advantage of technological developments that would make licensing easier and better value for money. But changes to the current system will only be made if such changes don't compromise vehicle safety.

EMBEDDING THE SAFE SYSTEM APPROACH

Vehicle safety is one aspect of our emphasis on creating a forgiving road system that is increasingly free of death and serious injury.

Together with our partners – the NZ Police, ACC, Ministry of Transport, local government and user groups – we are embedding the Safe System approach to road safety. A Safe System approach is about creating safer journeys for road users, whether it's maintaining the road network, encouraging safer vehicle choices, setting appropriate speed limits or targeting drink-drivers.

Improving the safety of all parts of the system – roads and roadsides, speeds, vehicles and road use – means that if one part fails, other elements will still go some way to protecting people if they're involved in a crash.

We played a direct role in a number of initiatives in 2011/12 that reinforce this Safe System approach:

- We implemented the government's legislated changes that raised the minimum driving age to 16 and introduced a zero alcohol limit for teenage drivers.
- We relaunched the RightCar website (rightcar.govt.nz), which provides a convenient one-stop shop for people shopping for a vehicle. The website contains data on safety, fuel economy and vehicle emissions to help customers make a safer, cleaner and more economical vehicle decision.

- We introduced a new restricted driver licence test to improve the safety of novice drivers. These drivers now face a longer and more challenging practical test, requiring a substantial amount of supervised practice to prepare for and pass the harder test. Research shows that young drivers who complete 120 hours of supervised practice on their learner licence have a sole-driving crash rate that is 40% lower than those drivers who only complete 50 hours of supervised practice.
- We implemented the government's changes to two give way rules to reduce intersection crashes and improve safety, especially for pedestrians and cyclists. Transition to these new rules has gone very smoothly, with no serious crashes attributed to the changes in the three months to June 2012.

In the 2012–15 period, approximately \$2.8 billion will be invested through the NLTP in activities that will directly or indirectly improve road safety. Road safety promotion remains an important part of the total NLTP investment in safety. Our education and advertising campaigns will focus on high concern areas, such as alcohol and drugs, motorcycles, young drivers and speed.

IMPROVING FREIGHT MOVEMENT EFFICIENCY

Efficient freight movement is vital to New Zealand's economic growth and productivity. Movement of freight is not confined to a single means of transport, and that's why improving freight efficiency needs a whole-of-supply-chain perspective. Central and local government are the main providers of land transport infrastructure and services, but it is the private sector that owns and moves New Zealand's freight from our ports or point of production to the marketplace and customers.

To that end, we're taking a collaborative approach to better understand freight supply chains and how we can contribute to optimising each link to ensure the freight transport system is effective in reducing the cost of doing business in New Zealand.

This engagement includes freight producers, freight transport operators, other network providers such as KiwiRail, and providers of key infrastructure and services such as ports, airport companies and coastal shipping operators.

We have also continued to meet with key freight operators and decision-makers to ascertain what they see as the main problems and opportunities for improving freight efficiency in Auckland and the wider upper North Island.

These discussions have culminated in the first cut of an Upper North Island Freight Plan, with a set of clear actions to improve freight efficiency in this key freight corridor. This concept is being extended to the rest of the country.

Our investment in the roads of national significance will provide better freight transport connections, increased network capacity and enhanced safety. Those moving freight, together with other road users, will experience improved travel times, greater travel reliability, reduced fuel costs and a safer transport system.

We also continue to develop a connected national high productivity motor vehicle (HPMV) network, with priority given to state highways and local roads that carry high volumes of freight traffic and provide access to areas of significant and sustainable freight production, consumption and distribution. On these targeted routes, allowing HPMVs makes a lot of sense as it means fewer trucks on the road and greater economic efficiencies.

By the end of the 2012-15 NLTP period, we expect that 4500 kilometres of state highways and local roads will be available for full HPMV access.

BY THE END OF THE 2012-15 NLTP PERIOD, WE EXPECT

4500

KILOMETRES OF STATE HIGHWAYS AND LOCAL ROADS WILL BE AVAILABLE FOR FULL HPMV ACCESS



DELIVERING THE ROADS OF NATIONAL SIGNIFICANCE

The seven roads of national significance programme represents one of New Zealand's biggest ever infrastructure investments and is a key part of the government's National Infrastructure Plan.

These routes will ease the most significant pressure points in the national network, reduce congestion in and around our five largest metropolitan areas, improve road safety and link our major sea and airports more effectively into the state highway network.

In early 2012 we completed the first of these projects - the Victoria Park Tunnel in Auckland, which opened ahead of schedule and on budget.

We also made good progress on the other projects. For example, construction of the Waterview tunnels on the Western Ring Route in Auckland is underway, and the first stage of the Christchurch Southern Motorway is on track for a 2013 completion. We are also well underway with the Tauranga Eastern Link and the Te Rapa section of the Waikato Expressway, and with consenting for the Transmission Gully leg of the Wellington Northern Corridor. During the 2012-15 period, the NLTP will invest approximately \$3 billion to progress the remaining six roads of national significance.

DURING THE 2012-15 PERIOD, THE NLTP WILL INVEST APPROXIMATELY \$3 BILLION TO PROGRESS THE REMAINING SIX ROADS OF NATIONAL SIGNIFICANCE.

IMPROVING PUBLIC TRANSPORT EFFECTIVENESS

We continue to make strides to improve the effectiveness of public transport in our major centres. In Auckland and Wellington, we are increasing capacity, improving reliability, investing in integrated ticketing and providing customers with real-time journey information.

Our focus is on providing people with transport options that will make the whole transport network more effective. Giving people the option of public transport, or safe cycling and walking, in our main cities helps to reduce severe congestion, and frees up roads for the more efficient movement of people and freight.

Most of our attention during the past year has been on improving public transport services in our largest urban areas and providing more transport choices in cities and towns across New Zealand. With good results: in 2011/12 we saw substantial increases in public transport patronage in Auckland (8%), Bay of Plenty (16%),

Hawke's Bay (23%) and Northland (7%), while a significant decline in Canterbury (40%) reflects the ongoing effects of the February 2011 earthquake.

We have also supported the work of Auckland Transport, Auckland Council and the Ministry of Transport on the purchase of new electric multiple train units for Auckland public transport and we have reached a funding arrangement with Auckland Transport that will see half the cost of the purchase of those train units met from the NLTF over the coming years.

Over the 2012-15 period, the NLTP will see investment of \$1.74 billion in New Zealand's public transport system - a 21% increase from the previous three-year period.

New infrastructure will include train carriages and rail improvements in Auckland and Wellington. Improvements will also be achieved through integrated ticketing and real-time information systems.



OUR FOCUS

PROVIDING PEOPLE WITH TRANSPORT OPTIONS THAT MAKE THE WHOLE TRANSPORT NETWORK MORE EFFECTIVE.

REBUILDING CHRISTCHURCH AND GROWING CANTERBURY

We're playing a key role in growing Canterbury and supporting the recovery of Christchurch.

Over the last year, we have invested \$87.8 million in emergency work projects (51.7 million from NLTF and 36.11 million from the Canterbury Earthquake Recovery Fund) to assist Christchurch City Council and the Waimakariri and Selwyn district councils with critical infrastructure repairs.

We have also formed an alliance with Christchurch City Council and the Canterbury Earthquake Recovery Authority to coordinate the repair and reconstruction of damaged roads and other infrastructure (storm, waste and drinking water) in the city. The alliance, Stronger Christchurch Infrastructure Rebuild Team (SCIRT), brings together public and private sector expertise and a joined-up approach to getting the job done.

With a long-term recovery strategy for the rebuild of greater Christchurch now in place, we are working with our partners in SCIRT and the Client Governance Group, which represents Christchurch City Council, the Canterbury Earthquake Recovery Authority and the NZTA as owners of damaged infrastructure, to develop a one-network approach to the region's transport system.

This joined-up approach will ensure a strong relationship between the planning, delivery and monitoring of the rebuild and the available funding, with an emphasis on value for money in all rebuild activities. More broadly, it will also encourage better integration of land use and transport planning across the region, delivering benefits that will extend well beyond the rebuilding phase.

Our Christchurch roads of national significance projects remain a core component of our contribution to Canterbury's recovery. The initial stage of the Southern Motorway is on target for completion in 2013, and two sections of the Western Corridor are now under construction and planning is underway on the Northern Corridor.

Once completed, these projects will deliver 55 kilometres of new or greatly improved highway that will ease congestion, increase safety, reduce travel times and provide easier access to the city, Christchurch International Airport and the Port of Lyttelton.

In addition, over the next three years we will invest approximately \$130 million to increase public transport patronage in the region. Not surprisingly, the level of public transport use dropped by 40% after the 2010/11 earthquakes.

\$87.8

**MILLION
INVESTED IN EMERGENCY
WORK PROJECTS**

55

**KILOMETRES
NEW OR IMPROVED
HIGHWAY ONCE COMPLETED**

\$130

**MILLION
INVESTED IN PUBLIC
TRANSPORT OVER THE NEXT
THREE YEARS**

DELIVERING VALUE FOR MONEY IN ALL THAT WE DO

This priority actually underpins everything we do – namely, making sure we get the most out of every dollar invested in New Zealand’s transport system.

Our approach to maximising value for money combines three interrelated elements – effectiveness, efficiency and economy. These elements are reflected in the investment activities set out in the NLTP. They are also reflected in the whole-of-system approach that we take to ensure that transport investments provide the greatest economic and social returns at the local, regional and national level.

Over the long term, effective transport planning is the key to maximising value for money.

Integrating transport and land use planning with investment and working closely with key stakeholders early on in the process, will ultimately ensure better transport outcomes. To that end, we continue to work closely with local authorities to ensure that, together, we’re making the most of the available land transport investments. We also continue to work with key industry stakeholders to identify opportunities for greater efficiencies in our state highway asset management and procurement activities.

In 2011/12, we achieved all of the value for money targets set for us by the government.

UNIT TRANSACTION COSTS – TRENDS



MOTOR VEHICLE REGISTER
NZ\$ DOLLARS



ROAD USER CHARGES
NZ\$ DOLLARS



DRIVER LICENSING
NZ\$ DOLLARS

*figures not available

EFFECTIVENESS, EFFICIENCY AND ECONOMY. THESE ELEMENTS ARE REFLECTED IN THE INVESTMENT ACTIVITIES SET OUT IN THE NLTP.

GROWING AUCKLAND

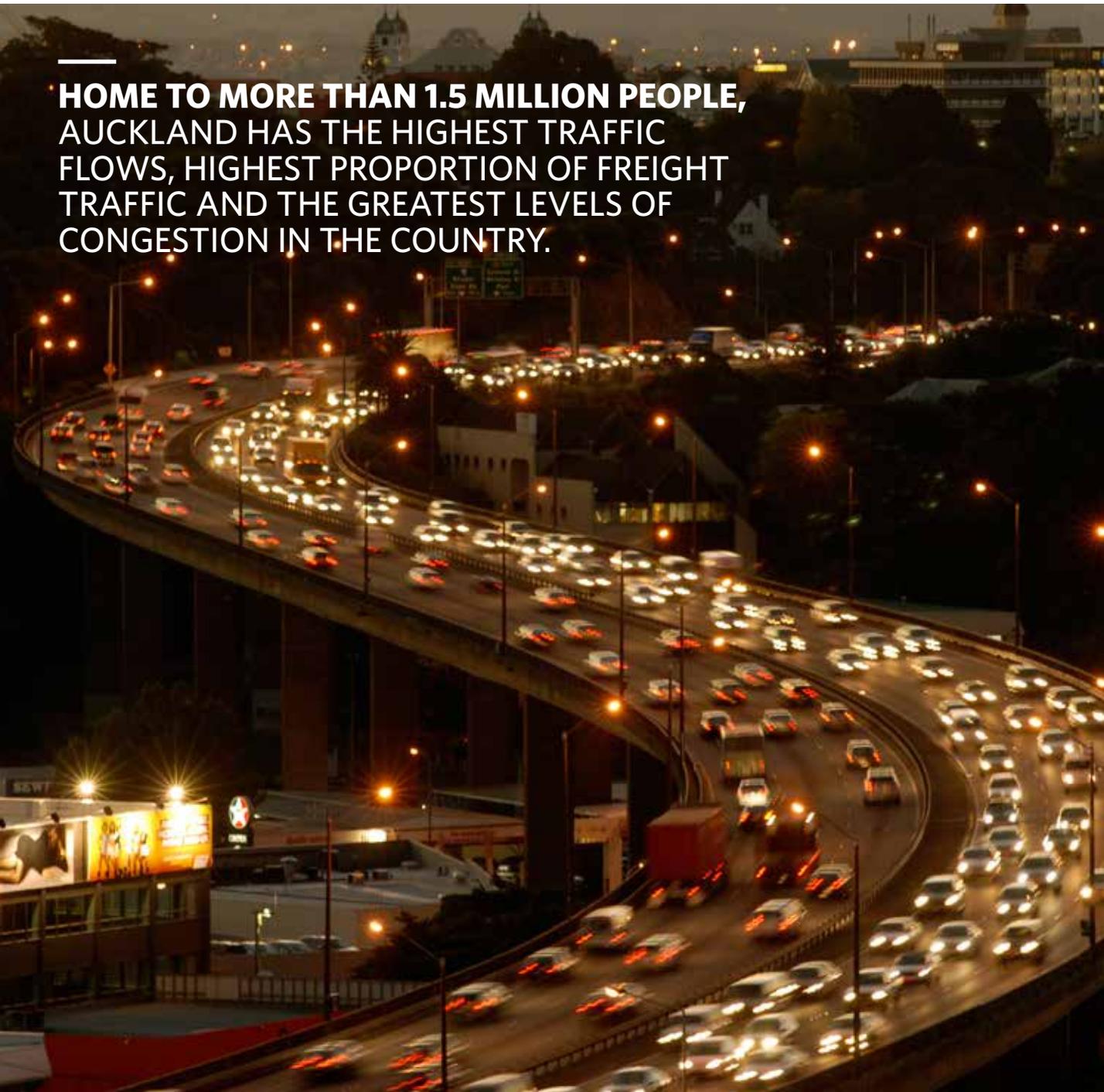
Auckland gets a lot of our attention, and rightly so. Home to more than 1.5 million people, Auckland has the highest traffic flows, highest proportion of freight traffic and greatest levels of congestion in the country – all of which have a significant effect on the efficiency of the transport network. It is also home to the country's largest air and sea ports.

For all of these reasons and more, we worked closely with Auckland Council on the first-ever Auckland Plan, which was launched in March 2012. The transport element of the Auckland Plan aims to improve the integration of the transport network using a single-system approach that encompasses public transport, roads, footpaths and cycleways.

It also includes a transformational shift to double the number of public transport trips from 70 million per year in 2012 to 140 million by 2022.

We also made significant progress during the past year on Auckland's state highway programme, including completion of the Victoria Park Tunnel project, completion of the Manukau Harbour Crossing and Hobsonville Motorway, and completion of the draft Auckland and Northland Regional Asset Management Plans.

In every instance, our collaboration with key partners is helping to ensure that we are spending money in the right place, at the right time and on the right projects.



HOME TO MORE THAN 1.5 MILLION PEOPLE, AUCKLAND HAS THE HIGHEST TRAFFIC FLOWS, HIGHEST PROPORTION OF FREIGHT TRAFFIC AND THE GREATEST LEVELS OF CONGESTION IN THE COUNTRY.

A TEAM EFFORT

What we have achieved in the past year against all of our service delivery and financial performance targets truly reflects a team effort. And it's a big team – one that includes our many stakeholders in local, regional and central government, in industry as well as our suppliers and those groups with a vested interest in transport matters.

To ensure we make sound investment decisions and provide sound planning advice to decision makers, we engage with our stakeholders to establish a common purpose, set clear expectations and strengthen our understanding of their needs, interests and concerns.

In 2012 we conducted our first organisation-wide Stakeholder Perceptions Survey of key stakeholders from central and local government, suppliers, industry and interest groups. Results showed that we are doing well in developing and maintaining strong positive relationships with central government, industry and interest groups, but there is more work to be done to enhance relationships with our partners in local government.

Although most stakeholders were relatively satisfied with their current relationship with us, all stakeholder groups said they would prefer this relationship to be at the more engaged end of the partnering continuum. We will work harder on that over the coming year.

The other cornerstone of our team effort can be found in NZTA offices throughout the country. Our success starts with the 1350 people in those 16 offices.

It is a privilege to lead a team dedicated to their work and to achieving the best transport outcomes for all New Zealanders. In the third year of our Employee Engagement Programme, we have seen a further lift in the level of engagement across the NZTA. In terms of the NZTA being a great place to work, overall staff satisfaction has increased significantly during the past three years. More staff believe the jobs they do are important to our success, and they say the best things about working here are their colleagues and making a difference to New Zealand.

I couldn't have said it better myself.



Geoff Dangerfield
Chief Executive

IT IS A PRIVILEGE TO LEAD **A TEAM DEDICATED TO THEIR WORK** AND TO ACHIEVING THE BEST TRANSPORT OUTCOMES FOR ALL NEW ZEALANDERS.

1350

**PEOPLE
WORK AT
THE NZTA IN**

16

**LOCATIONS
FROM WHANGAREI
TO DUNEDIN**





**OUR 2009-12
INVESTMENT
PERFORMANCE
AT A GLANCE**

49%

of our investment on new and improved state highway infrastructure since 2009 has focused on the development and delivery of the roads of national significance.

386m

passengers received funding through the NLTF for journeys on buses, trains and ferries.

280km

of new walking and cycling network was added.

872

lane kilometres of road reconstruction and new roads completed.

31
large and
116

small state highway projects have been completed.

\$156m

was spent on emergency works to ensure the state highway network was open following adverse weather and seismic activity.

75.6%

is the average percentage of recall target audiences have for road safety advertising since 2010/11.

6.3%

of the local road network was resealed over the past three years at a cost of \$227 million.

6.6m

alcohol breath tests undertaken by the NZ Police as part of the NLTF-funded Road Policing Programme.

75,132

crashes have been attended by the NZ Police as part of the NLTF-funded Road Policing Programme.

An average of
1%

of total NLTF expenditure was on managing the funding allocation system during the past three years.

2009-12 NATIONAL LAND TRANSPORT PROGRAMME (NLTP)

In the three years to 30 June 2012, actual expenditure in the 2009-12 NLTP was \$7.75 billion (excluding road policing). When measured against the initially approved NLTP (\$7.81 billion) the planned investment level was substantially achieved.

State highway network

Investment in the new and improved infrastructure for state highways output class amounted to \$3.17 billion over the three years, which is \$92 million more than programmed at the start of the NLTP. \$0.9 billion was spent in 2011/12.

Significant progress occurred on the development and construction phases of the following:

- The Victoria Park Tunnel was completed and opened three months ahead of schedule.
- The Newmarket Viaduct project was substantially completed with the new viaduct opened to traffic.
- Construction work commenced on the Waterview section of the Auckland RoNS.
- The SH20 to SH1 Manukau extension was completed.
- The Kopu Bridge in Thames was completed and opened in December 2011.
- High productivity motor vehicle (HPMV) route between Auckland (end of Southern Motorway) to Port of Tauranga has been cleared for full use.
- Construction work continued on the Tauranga Eastern Link RoNS.
- Construction work continued on the Te Rapa section and commenced on the Ngaruawahia section of the Waikato Expressway.
- Wellington Northern Corridor including safety improvements and refurbishment of the Mount Victoria and Terrace tunnels.
- Ruby Bay Bypass in the Tasman area.
- Christchurch Motorways project.

In addition, another \$544 million was invested in renewals, maintenance and operation of the state highway network during 2011/12 bringing the three-year investment up to \$1,616 million.

This assisted in keeping the state highways available 99.6% of the time, and we were close to our pavement renewal target, achieving 1,344 kilometres.

In the three years to 30 June 2012 almost \$157 million was spent on emergency works, with the rebuild of the state highways damaged in the Canterbury earthquakes costing \$12.48 million and the clearance of the major slips in the Manawatu gorge costing \$14.72 million.

Local roads

Over the three-year NLTP period, \$821 million was invested in local roads maintenance and operations, \$78 million more than programmed at the start of the NLTP. National Land Transport Fund investment in emergency reinstatement work following the Canterbury earthquakes totalled \$104.43 million (\$99.48 million in Christchurch city, \$2.45 million in the Waimakariri district and \$2.50 million in the Selwyn district). In addition \$36.11 million was paid to Christchurch city in 2011/12 on behalf of the Crown (Canterbury Earthquake Recovery Fund).

During the 2011/12 year, close to \$188 million was invested in local road renewals, bringing the three-year investment up to \$598 million – \$98 million below the published NLTP allocation. The underspend being caused through the flexible financial assistance rate agreed to with Auckland Transport as part of the measures to manage cash flow pressures, councils in Canterbury deferring works to support funding for emergency reinstatement work following the Canterbury earthquakes and other councils adjusting programmes to use the funds to address routine maintenance needs.

The major investment in local roads was the Hamilton Ring Road, including the four-laning of Wairere Drive; and commencement of construction work on the Panmure passenger transport interchange. This is a component of the Auckland Manukau Eastern Transport Initiative (AMETI) package and a key transport corridor in south-east Auckland (refer to the NZTA's 2012 annual report for more information on the AMETI project).

Public transport infrastructure

Investment in public transport infrastructure amounted to \$168 million over the three years, which is \$101 million less than programmed at the start of the NLTP. The main reasons for this underspend are deferral of the Christchurch bus exchange project, due to the earthquakes, and funding assistance rate adjustment arrangements for Auckland's electrification of the passenger rail services. Investment in public transport infrastructure projects was prioritised and targeted to activities and areas that maximised investment return, in particular Auckland and Wellington, where there is a need for greater focus on relieving severe congestion and encouraging economic growth.

Key investments in public transport infrastructure included:

- Auckland integrated fare system construction/implementation
- Manukau Transport Interchange and city rail link
- real-time system extension (Auckland passenger rail)
- real-time system construction/implementation (Wellington bus network)
- Auckland rail station improvements
- Auckland ferry wharf refurbishment.

Public transport services

During 2011/12, NLTF investment of \$231 million was made across all regional networks in public transport services and operations bringing the three-year spend to \$613 million, \$17 million less than the published NLTP allocation. Almost 90% of this investment was in Auckland, Wellington and Christchurch, where most of the services and related costs are targeted at relieving severe congestion in major urban areas. In 2011/12 almost \$37 million more than the previous year was invested; much of this increase in expenditure is the result of additional investment in Auckland rail and also in growing public transport networks in and around the urban centres of Tauranga, New Plymouth and Napier.

During 2011/12 passenger boardings have increased from 128 million to 132.4 million across the country. The level of this increase was greatly affected by the Christchurch earthquakes, in particular, the earthquake on 22 February 2011. Since this date, patronage has gradually increased back to 79% of the level prior to that event from a low of 59%.

Road user safety

The NLTF invested \$109.6 million in both local government and nationally delivered safety promotion activities – \$10.4 million less than programmed at the start of the NLTP. The activity class review carried out in the first year resulted in a more focused investment programme on safety promotion. \$20.4 million was invested in locally delivered programmes and \$20.4 million in nationally delivered activities that increase the safe and efficient use of the land transport system. The greatest proportion of spend in 2011/12 continued to be focused on alcohol and drug impaired driving risks, followed by speed, cycling safety and school based activities.

Walking and cycling

The NLTF invested \$11.7 million in stand-alone walking and cycling infrastructure in 2011/12, bringing the total three-year investment to \$41.7 million. This investment is beginning to demonstrate the long-term benefits of providing an increase in walking and cycling numbers in the major urban centres and many regional towns, with cycling in the Auckland region alone increasing by 18% over the last five years.

The funding priorities during the three-year period included:

- reducing congestion in main urban areas
- increasing safety for cyclists and pedestrians.

The two model community programmes in Hastings and New Plymouth are working examples of these priorities.

INVESTMENT IN THE NEW AND IMPROVED INFRASTRUCTURE FOR STATE HIGHWAYS OUTPUT CLASS AMOUNTED TO \$3.17 BILLION OVER THE THREE YEARS, WHICH IS \$92 MILLION MORE THAN PROGRAMMED AT THE START OF THE NLTP. \$0.9 BILLION WAS SPENT IN 2011/12.

NATIONAL LAND TRANSPORT PROGRAMME 2009-12

	PUBLISHED	PROGRAMMED SPEND 2009-2012			
	NLTP 2009-12 \$000	Actual 2009/10 \$000	Actual 2010/11 \$000	Actual 2011/12 \$000	Total 2009-12 \$000
ALLOCATION OF FUNDS TO ACTIVITY CLASSES:					
New and improved infrastructure for state highways	3,074,700	1,101,787	1,171,489	893,621	3,166,897
Renewal of state highways	633,000	231,699	205,112	199,731	636,542
Maintenance and operation of state highways	897,000	306,574	327,758	344,642	978,974
New and improved infrastructure for local roads	480,000	165,167	163,142	110,132	438,441
Renewal of local roads	696,000	204,774	205,499	188,227	598,500
Maintenance and operation of local roads	743,000	224,332	304,182	292,639	821,153
Public transport services	630,000	187,306	194,630	231,328	613,264
Public transport infrastructure	269,000	126,752	47,045	(5,998)	167,799
Road user safety	120,000	36,260	32,290	41,097	109,647
Walking and cycling facilities	51,000	17,771	12,262	11,708	41,741
Sector training and research	18,000	5,371	3,391	3,858	12,620
Domestic sea freight development	1,000	1,013	0	0	1,013
Rail and sea freight	3,000	212	(121)	72	163
Transport planning	96,000	20,113	23,195	22,614	65,922
Management of the funding allocation system	103,200	35,706	31,233	29,891	96,830
TOTAL	7,814,900	2,664,837	2,721,107	2,363,561	7,749,505

To note:

New and improved infrastructure for state highways 2011/12 includes \$5.326m interest on borrowing.

PUBLIC TRANSPORT INFRASTRUCTURE INCLUDES:				
Public transport infrastructure		100,792	31,519	18,070
Loan to local authority		25,960	2,380	(28,340)
Public transport infrastructure - Automated fare collection system		0	13,146	4,272
TOTAL		126,752	47,045	(5,998)



If you have further queries, call our contact centre on 0800 699 000 or write to us:

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

