



Annual Report

for the year ended 30 June

2002

LAND
transport safety
AUTHORITY

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Chairman's statement

I am pleased to present the *Annual Report* and audited accounts for the Land Transport Safety Authority (LTSA) for the year ended 30 June 2002.

It has been another very busy and successful year for the LTSA as it continues working to improve safety in land transport at reasonable cost. The year to the end of June 2002 saw the country's lowest level of road trauma since 1964, continuing the downward trend of recent years. This is an encouraging sign that the organisation's strategies and partnerships with other agencies are achieving positive results. The LTSA is in a strong position to build on these successes in the years ahead.

The New Zealand Transport Strategy provides the wider transport context for our road safety efforts and this will be promoted as we implement the recently approved Road Safety Strategy 2010. The future of land transport safety depends on greater levels of integration, continuing focus on affordability and efficiency, and better responsiveness across the transport sector. We look forward to meeting the challenges ahead with our National Road Safety Committee partners.

A crucial element in reducing road trauma is ensuring that the vehicles New Zealanders drive are safe, and significant progress has been made in this area with the adoption of a new package of vehicle safety initiatives. These include a new requirement for imported passenger cars to comply with approved frontal impact protection standards, as well as new safety requirements for tyres and wheels, brakes, seats and safety belts.

Major changes have also been made to the way the LTSA regulates vehicle certification. The year saw the establishment of a dedicated national Vehicle Certification Unit within the LTSA, and the introduction of an incentive-based performance review system to improve the quality and consistency of vehicle certification.

Vehicles are one part of the road safety equation—drivers are another. The draft *Driver Licensing Amendment Rule* was released for public consultation in May 2002, following the completion of an independent review of the cost and management of New Zealand's driver licensing system the previous year. Proposed changes include the introduction of a telephone booking system and a conditional licence for older drivers. Final recommendations will be made following the analysis of public submissions on the draft rule.

The foundations are being laid for a whole generation of safe drivers with the RoadSense Ata Haere primary school education programme, which integrates road safety lessons into the existing school curriculum. Launched in March 2002, the programme will be rolled out progressively

over the next three years, beginning with 250 schools this year. The voluntary programme will ultimately be available to every primary and intermediate school in the country.

Road safety advertising has continued to play a key role in support of targeted Police activity, helping to raise awareness of road safety and acceptance of police enforcement across society. New and innovative advertisements have been developed and tested in order to reach target audiences. Community road safety programmes continue to play a key role in reaching people at a local level.

The rail network is a vital component of our land transport system. The LTSA is assisting the Ministry of Transport with the development of new rail safety legislation intended to give the authority a more proactive role in identifying and managing critical safety issues. The LTSA will also be participating in a multi-party forum to identify and implement measures to improve safety at railway level crossings.

My thanks go to Te Taru White, whose term expired during the year, for his work on the LTSA Board. His place on the Board has been filled by Louisa Wall, and I welcome her contribution.

This *Annual Report* gives details of the many programmes and projects which collectively help to increase land transport safety in New Zealand. I would like to thank all LTSA staff for their hard work, commitment and professionalism. I also extend my gratitude to the Board for their contribution and support throughout the year. I would also like to acknowledge the hard work of all of the LTSA's partners for their vital contribution to the safety of New Zealand's land transport system.



Wayne Brown
Chairman

Director's report

The 2001/2002 financial year saw many important developments for land transport safety in New Zealand. Below is a brief summary of some important steps forward from a very busy and productive year for the LTSA.

Road Safety Strategy 2010

The government signed off the Road Safety Strategy 2010 during August 2002. The strategy involves both new and extended LTSA and Police road safety programmes. The National Road Safety Committee (comprising the LTSA, the New Zealand Police, Transit New Zealand, Transfund, local authorities, Accident Compensation Corporation and the Ministry of Transport) has agreed on a New Zealand-wide implementation plan for the strategy. Work has begun on developing a programme management framework to support effective implementation of the 2010 strategy by the LTSA and its partners.

Rail safety

Considerable progress was made in assessing what safety performance can be expected from the rail transport industry. There was considerable activity on a number of issues. These included assisting the Ministry of Transport with the development of new rail safety legislation, changes to the rail regulatory regime, the commissioning of a report on Tranz Rail's track maintenance, restructuring and outsourcing plans and the Crown buy-back of the Auckland rail network.

Driver licensing

The draft *Driver Licensing Amendment Rule* was released for public consultation in May 2002. The draft rule incorporated several proposals arising from an independent review of the cost and management of New Zealand's driver licensing system undertaken by PriceWaterhouseCoopers. Proposed changes include the introduction of a telephone booking system, changes to the licensing requirements for commercial drivers and a conditional licence for older drivers. Final recommendations will be made following the analysis of public submissions on the draft rule.

Driver testing

Overall driver test volumes were higher than last year, with Full Licence Tests well above the same time last year. Pass rates remained relatively static with the exception of Full Licence Tests, where the continuing influence of overseas licence conversions (with a generally lower pass rate) can be seen.

Vehicle licensing and certification

The new dedicated Vehicle Certification Unit (VCU) within the LTSA was established in August 2001. The unit has been set up to ensure that vehicle certifications done by approved private sector certifiers are accurate and consistent. The unit operates according to a “willing compliance” model, where certifiers are encouraged to comply with the legal requirements and measured by an incentive-based Performance Review System. Performance reviews of warrant of fitness certifiers were started in November 2001, with the system being rolled out to all types of certification over the following months. The VCU has received positive feedback from the inspection industry since its inception.

Vehicle safety

Two packages of vehicle safety rules were introduced in the year resulting in a series of projects to implement changes from the rules. The Minister of Transport signed the first group of rules in December 2001, and the second set in February 2002. Both sets of rules took effect from 1 April 2002. The new vehicle safety measures introduced include the requirement for all passenger cars entering the New Zealand fleet to comply with frontal impact standards, as well as new requirements relating to safety belts, airbags, tyres and wheels, brakes, replacement parts, water damaged vehicles and vehicle inspections.

The results of three rounds of crash testing from the Australian New Car Assessment Programme were released, with wide coverage received from television and print media.

A pilot study by the Monash University Accident Research Centre (MUARC) to test the production of a crashworthiness index for the New Zealand vehicle fleet (including used vehicles) was completed successfully and the next stage in the study commenced.

Heavy vehicles

The *Vehicle Dimensions and Mass Rule* was completed and signed in the past year. It addresses the risks arising from the demands that the road network and traffic environment place on the manoeuvrability and stability of heavy vehicles.

The rule sets out dimensions and mass requirements for all vehicles, and introduces new stability requirements for heavy vehicles—a world first for New Zealand. The stability requirements are expected to reduce the number of rollover crashes involving heavy vehicles. A Static Roll Threshold Calculator is available on the LTSA website to allow operators to easily check the stability of their vehicles.

Following extensive trials Government has allowed for the operation of log trucks carrying longer and lower loads, to a maximum length of 22m. The reconfigured loads have a much lower centre of gravity and are therefore more stable and less likely to roll over.

Work continued during the year on trials of the methodology for rating the safety performance of various groups of licensed transport operators (the Operator Safety Rating System). Participation and interest from industry remains high in the concept and uses of operator safety rating.

New Zealand Road Safety Programme

Road safety work is undertaken by several agencies working together with a common aim. The LTSA, Ministry of Transport, the New Zealand Police, Transit New Zealand, Accident Compensation Corporation, local authorities and Transfund New Zealand all co-operate in order to provide a strategic and co-ordinated approach to road safety.

This strategic co-operation is carried out through the New Zealand Road Safety Programme (NZRSP). The 2001/2002 programme continued the implementation of a package of road safety initiatives approved in the June 2000 Budget. The package included additional funding for community programmes and Maori and Pacific peoples' community education. Other initiatives included continued membership in the Australian New Car Assessment Programme, the strengthening of the New Zealand Police strategic capability, the work of the dedicated Highway Patrol, enhanced compulsory breath testing projects and improvements in the monitoring of commercial vehicles by the New Zealand Police.

In addition, the LTSA has been involved in a number of significant activities that have contributed to the development of the 2002/2003 NZRSP. These include the introduction of police road safety action plans, the development of police performance measures, and a review of the LTSA's Community Road Safety Programme.

Community projects

The LTSA funded 463 projects through the Community Road Safety Programme component of the New Zealand Road Safety Programme during the year. In support of these projects the LTSA provided salary subsidies for 50 Road Safety Co-ordinator positions. Road Safety Co-ordinators work to promote road safety at a local level by facilitating community, organisational and individual involvement in local road safety activities, and to ensure that community road safety programmes are well targeted, directed and managed.

During the 2001/2002 year the LTSA undertook a comprehensive review of the Community Road Safety Programme. The purpose of the review was to build on the Programme's successes to date and to enhance its future capacity to support the Road Safety Strategy 2010.

Maori and Pacific peoples

Of the 463 community projects funded by the LTSA, 127 were specifically targeted to address the road safety issues of Maori and Pacific communities.

During the past year the LTSA has continued to develop strategies that have benefited Maori and Pacific peoples' communities at the national, regional and local levels. As a result of these developments the number of Maori and Pacific peoples' communities and providers involved with the Community Road Safety Programme has increased significantly.

School-based road safety education

The RoadSense Ata Haere primary school education programme was launched in March 2002. The programme integrates road safety lessons into the existing school curriculum. RoadSense is being rolled out progressively over the next three years, beginning with 250 schools this year. The voluntary programme will ultimately be available to every primary and intermediate school in the country.

Financial results

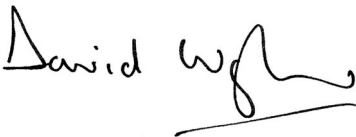
The overall surplus for the year was \$4.992 million. This was made up of surpluses for all output classes offset by small deficits for grants management and licensing. Revised driver licence fees were introduced on 31 December 2001 to address the deficit in that area and this has had the effect of minimising the licensing deficit.

Conclusion

The following report contains detailed information relating to:

- our business, including road and rail safety outcomes and the activities of the LTSA for the 2001/2002 year by output class
- our people
- our resources
- financial information.

I believe the LTSA must continue to provide leadership in land transport safety, striving to eliminate deaths and injuries in our land transport system. The results set out in this report demonstrate our commitment to that goal.

A handwritten signature in black ink that reads "David Wright". The signature is written in a cursive style with a horizontal line underneath the name.

David Wright
Director of Land Transport Safety

Our business

Government outcomes for land transport

The government's desired outcomes to which the LTSA must contribute are:

- a safe, sustainable transport system at reasonable cost
- the achievement of the National Road Safety Plan 1995 targets for the year 2001.

Goals and priorities 2001–2003

In contributing to the above outcomes, the LTSA is directly or indirectly responsible for activities that contribute to:

- a safe, sustainable transport system at reasonable cost
- the achievement of the Key Government Goals as defined in the letter from the Department of the Prime Minister and Cabinet dated 11 April 2001 entitled "Key Government Goals".

Land Transport Safety Authority (LTSA)

The LTSA was established in August 1993 as a stand-alone safety Authority. It was continued under the Land Transport Act 1998. The LTSA is deemed to be a Crown entity¹ for the purposes of the Public Finance Act 1989.

To perform its land transport safety and registry functions, the LTSA receives a mixture of funding from the government, the National Roads Fund and fees paid by users of the land transport system. Some agents may retain the fee or charge to cover the costs of administering the contracted services. The effective and efficient management of these contracts is a significant challenge for the LTSA.

Vision

The LTSA's vision is:

To eliminate deaths and injuries in the land transport system.

This vision for land transport safety is one that recognises that each road crash causing death or injury is one that need not have happened. This vision is a long-term ethical statement of the LTSA's ideal safety

¹ Crown entities are bodies established by law in which the government has a controlling interest through ownership mechanisms but is not liable for any debt. Crown entities form a part of the Crown reporting regime but are not part of the "core" Crown.

outcome that helps concentrate our efforts. The vision is idealistic. It is not stated as a performance measure for the LTSA or government, nor does it imply that resources could be available to achieve it. The LTSA intends to consult with its road safety partners on the vision.

Mission

The LTSA's mission is:

We are a stand-alone Authority responsible for promoting safety in land transport at reasonable cost, including managing land transport information and revenue systems.

The LTSA's mission statement encompasses its major statutory responsibilities and the authority for carrying out this role.

Reasonable cost

The Land Transport Act 1998 defines a cost as reasonable “where the value of the cost to the nation is exceeded by the value of the resulting benefit to the nation”. The LTSA's decision-making processes in the land transport safety business are based on:

- benefit/cost analysis where possible
- resource allocation modelling to maximise total benefit
- action planning to refine targeting to risk
- expert peer review and audit
- best practice criteria.

The LTSA's decision-making processes in the registry management business are based on:

- cost-effective and integrated systems and services, and the support of the LTSA's safety initiatives and partner agencies in the achievement of improved road safety outcomes.

Legislative functions

The principal objective of the LTSA is to “undertake activities that promote safety in land transport at a reasonable cost” (Section 189 of the Land Transport Act 1998). Section 190 of the Land Transport Act states:

- (1) In carrying out its principal objective, the Authority has the following functions:
 - (a) To establish safety standards concerning entry into, and operation in, the land transport system.
 - (b) To monitor adherence to safety standards within the land transport system.
 - (c) To ensure regular reviews of the land transport system to promote the improvement and development of its safety.
 - (d) To investigate and review land transport accidents and incidents in its capacity as the responsible safety authority, subject to any limitations set out in the Transport Accident Investigation Commission Act 1990.
 - (e) To maintain and preserve records and documents concerning activities within the land transport system, and in particular to maintain the Land Transport Register.
 - (f) To provide to the Minister such information and advice as the Minister may from time to time require.
 - (g) To promote safety in the land transport system by providing safety information and advice, and fostering safety information education programmes.
 - (h) To carry out its functions in relation to the Safety (Administration) Programme under the Transit New Zealand Act 1989.
- (2) The Authority must carry out such other land transport functions, and such land transport duties, as the Minister may from time to time prescribe by notice in the *Gazette*.

Goals and strategies

The LTSA has identified seven goals as being critical to the fulfilment of its mission:

- To set and ensure compliance with land transport safety standards at reasonable cost based on best practice.
- To improve land transport partnership efficiencies.
- To optimise the level and mix of safety funding.
- To catalyse innovation in land transport safety activities, research and management practices.
- To demonstrate leadership and fairness within the management of the land transport sector.
- To continually improve service delivery for the land transport sector including revenue and registry management activities.
- To demonstrate excellence in total business management and in each component of the business.

A range of generic strategies has been set for each goal, identifying the principal directions the LTSA will pursue to achieve the respective goals. These strategies are refined on an annual basis.

Report on safety outcomes

Road safety outcomes and targets

The provisional number of road fatalities for 2001/2002 is 430, which is nine percent down from the 2000/2001 total of 471. Key safety outcomes include:

- The provisional 12-month number of road fatalities ending 30 June 2002 is 430, resulting from 377 crashes—respectively nine percent and six percent lower than for the preceding 12 months.
- Vehicle occupants (drivers and passengers) accounted for 77 percent of the fatalities, motorcyclists seven percent, cyclists and pedestrians 15 percent, and other forms of road transport one percent.
- In the last 12 months, 71 percent of fatal crashes occurred on 80 and 100 km/h roads.

Table 1: Road safety outcomes and trends for 2001/2002¹

	Actual 30 June 1998	Actual 30 June 1999	Actual 30 June 2000	Actual 30 June 2001	Actual 30 June 2002 ²	Target 30 June 2002
Road crash data						
Deaths						
Number of road deaths	504	511	489	471	430	420
Deaths per 10,000 vehicles	2.1	2.0	1.9	1.8	1.6	1.6
Deaths per 100,000 people	13.3	13.4	12.8	12.2	11.2	11.0
Injuries³						
Reported injuries	12,726	12,188	11,615	11,292	12,368	11,000
Reported injuries per 10,000 vehicles	52.1	48.5	44.6	42.9	47.0	42
Reported injuries per 100,000 people	335.7	319.8	303.2	293.3	321.2	290
Behavioural measures⁴						
Alcohol						
Number of drivers killed with excess alcohol ⁵	63	74	61	58	55	60
Proportion of drivers killed with excess alcohol ⁵	21%	27%	21%	21%	21%	25%

Notes:

1 The targets are shared targets for the LTSA and its safety partners.

2 The crash results for 2001/2002 are provisional.

3 Injury data for 2001/2002 is for the 12 months to 31 December 2001. All other crash data is for the 12 months to 30 June 2002.

4 Behavioural measures are usually taken once a year, and are given here as the latest for each June year.

5 Driver alcohol measures include all fatal crashes in the 12 months to 31 December each year.

	Actual 30 June 1998	Actual 30 June 1999	Actual 30 June 2000	Actual 30 June 2001	Actual 30 June 2002	Target 30 June 2002
Speed						
Rural speed, % over 110km per hour	26%	25%	24%	20%	15%	15%
Rural speed, mean (km/h)	104.2	104.3	104.2	103.4	101.8	102
Rural speed, 85th percentile (km/h)	115	115	114	113	110	110
Occupant restraints						
Safety belts worn by adults, front	88%	89%	90%	92%	92%	98%
Safety belts worn by adults, rear	56%	62%	67%	76%	70%	90%
Children restrained, 0-14 years	88%	89%	87%	89%	94%	98%
Child restraints used, 0-4 years	74%	76%	75%	79%	82%	98%
Cycle helmets						
Cycle helmets worn, weekday	95%	95%	93%	94%	89%	98%

With the relatively small numbers involved there will be some variation from year to year owing to normal statistical fluctuations. The aim is to achieve values that are consistently below the target levels.

Rail safety outcomes

The LTSA has maintained a Rail Incident Database to monitor rail safety performance since April 1993. There was a decrease in the number of all rail-related casualties in 2001/2002. There were 57 casualties compared with 98 during 2000/2001 and 86 during 1999/2000 (the details are set out in the table below).

Table 2: Rail safety outcomes for 2001/2002 financial year

Incident type	1997/ 1998	1998/ 1999	1999/ 2000	2000/ 2001	2001/ 2002 ¹
Fatalities					
Level crossings – vehicles	5	10	6	6	8
– pedestrians	2	2	1	2	1
Railway staff	0	0	4	0	0
Person on tracks	12	17	13	15	9
Other rail incidents	0	1	1	1	0
Total	19	30	25	24	18

Note:

¹ Results provisional at time of printing.

Incident type	1997/ 1998	1998/ 1999	1999/ 2000	2000/ 2001	2001/ 2002 ¹
Serious injuries					
Level crossings – vehicles	4	4	6	10	5
– pedestrians	1	1	0	0	0
Railway staff	0	7	4	4	2
Person on tracks	5	4	1	3	5
Other rail incidents	2	2	1	2	5
Total	12	18	12	19	17
Minor injuries					
Level crossing	12	10	11	36	1
Other rail incidents	19	23	38	19	21
Total	31	33	49	55	22
Total casualties	62	81	86	98	57

The number of rail-related casualties continues to show random variability from year to year, with long-term trends difficult to predict owing to the complexity of the causal factors. The incidence of people killed or injured while illegally on rail tracks continues to be disturbing and suggests a continued lack of awareness of the dangers of being within the rail corridor. The number of casualties occurring at level crossings continues to be significant, although it is not as high as a few years ago. Continuing work with other overseas government agencies will allow comparison of the New Zealand rail safety outcome statistics with international benchmarks.

Note:

¹ Results provisional at time of printing.

Key performance indicators

These indicators provide a summary of the LTSA's performance during 2001/2002.

Output Class: Policy Advice

Advice on safety information and promotion

Result areas	Achieved %	On target 3 or 7
Strategic analysis and overview		
<ul style="list-style-type: none"> Economic analysis support for land transport safety development as required. 	100%	3
Strategic issues and directions		
<ul style="list-style-type: none"> Development and refinement of the safety management framework for the LTSA. Follow up work arising from government decisions on the rehabilitation of serious and repeat offenders. 	100%	3
Target-setting services		
A. Safety Directions Development Programme		
<ul style="list-style-type: none"> Target-setting Budget allocation Performance monitoring. 	100%	3
B. Background research and strategy development		
<ul style="list-style-type: none"> Monitoring of road users' behaviour and attitudes—surveys NRSC and NRSAG servicing S(A)P development. 	100%	3

Advice on land transport licensing

Evaluation of driver licensing policy changes		
<ul style="list-style-type: none"> Four quarterly summary reports Two reports on formal driver licence surveys. 	100%	3
Review of land transport licensing policy		
Review of operator licensing		
<ul style="list-style-type: none"> Input into drafting instructions Assistance to Select Committee consideration of changes. 	100%	3

Result areas	Achieved %	On target 3 or 7
Review of driving hours and logbooks		
• Input into drafting instructions	100%	3
• Assistance to Select Committee consideration of changes.	100%	3
Review of driver licensing standards		
Joint LTSA–AustRoads older driver re–licensing model		
• Report to Minister on pilot of screening instruments and assessment of referral process by 28 February 2002.	100%	3
Review of driver licensing tests		
Feasibility of computerised theory tests (CTT)		
• Feasibility report on CTT by 31 October 2001.	100%	3
Feasibility of competency based assessment (CBA) for novice motorcycle riders		
• Feasibility report on CBA by 31 July 2002.	100%	3
Rail safety policy		
• Initial assessment of international safety benchmarking indicators	100%	3
• Review of rail audit regime ¹	N/A	N/A
• Review of rail fee regime. ¹	N/A	N/A
Road environment safety policy		
• Road policy development: ongoing, reporting quarterly	100%	3
• Traffic Control Devices Rule: ongoing, reporting quarterly	100%	3
• Heavy motor vehicle policy: ongoing, reporting quarterly	100%	3
• Dangerous goods policy: ongoing, reporting quarterly	100%	3
• Safety management systems: ongoing, reporting quarterly	100%	3
• Speed management: ongoing, reporting quarterly	100%	3
• Policy advice: Standards and guidelines strategy: ongoing, reporting quarterly.	100%	3
Vehicle safety policy		
International Vehicle Standards Harmonisation Programme		
• Advice to MoT on accession to UN agreements by 30 September 2001.	100%	3
Development and review of policy and legislation		
• Ongoing, reporting quarterly.	100%	3
Note:		

1 These reviews were incorporated into the MoT's review of rail safety.

Result areas	Achieved %	On target 3 or 7
Policy development		
• Ongoing, reporting quarterly.	100%	3
Codes, standards and inspection guides		
• Ongoing, reporting quarterly.	100%	3
NZ and Joint NZ/Australian standards		
• Ongoing, reporting quarterly.	100%	3
Rules development services contract		
• Contract signed by both parties in July 2001.	100%	3

Advice on land transport auditing

Pilot of Alternative Fatigue Management Programme (FMP)		
• Preliminary report by 30 April 2002	100%	3
• Final report by 30 June 2002. ¹	N/A	N/A

Ministerial servicing

Ministerial correspondence:

• Draft responses		
80% within 12 working days	100%	3
100% within 20 working days.	100%	3
• Direct responses		
80% within 11 working days	100%	3
100% within 30 working days.	100%	3

Parliamentary Questions:

• 100% within specified timeframes.	100%	3
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Output Class: Safety Information and Promotion

Safety information

Safety information publications		
• 2001 positive evidential breath tests—data entry to be completed by 1 May 2002	100%	3

Note:

¹ An update report was submitted to the Minister and the final report will now be submitted by 30 June 2003.

Result areas	Achieved %	On target 3 or 7
<ul style="list-style-type: none"> • Prepare 2002/2003 New Zealand Road Safety Programme for publication 	100%	3
<ul style="list-style-type: none"> • Programme of safety information publications 	100%	3
<ul style="list-style-type: none"> • Two publications revised or newly released each month 	100%	3
<ul style="list-style-type: none"> • Three pro-active media releases per month. 	100%	3
Road Safety Education Programme		
<ul style="list-style-type: none"> • One specification or resource relating to driver education maintained or upgraded each quarter 	100%	3
<ul style="list-style-type: none"> • Prepare primary school programme for implementation 	100%	3
<ul style="list-style-type: none"> • One liaison or advisory activity to non-S(A)P funded road safety education providers. 	100%	3
Vehicle safety promotion and publications		
<ul style="list-style-type: none"> • Deliver vehicle safety publications as required 	100%	3
<ul style="list-style-type: none"> • Provide advice on communications and give interviews to the media as required. 	100%	3
Australian New Car Assessment Programme (ANCAP)		
<ul style="list-style-type: none"> • Provide input to ANCAP test programme and launch the results in New Zealand at the same time as they are published in Australia 	100%	3
<ul style="list-style-type: none"> • Deliver ANCAP advertising support according to media schedule 	100%	3
<ul style="list-style-type: none"> • Monash University Accident Research Centre crashworthiness study. 	100%	3
Safety promotion		
Road safety advertising package		
<ul style="list-style-type: none"> • Average of 800 TARPs per month delivered on television over the year. 	100%	3
Community-based advertising in support of community projects		
<ul style="list-style-type: none"> • Report quarterly. 	100%	3
Maori and Pacific community groups national advertising		
<ul style="list-style-type: none"> • Report quarterly. 	100%	3

Output Class: Grants Management

Community road safety projects

Result areas	Achieved %	On target 3 or 7
<ul style="list-style-type: none"> Manage LTSA's 2001/2002 and 2002/2003 Community Road Safety Programmes 	100%	3
<ul style="list-style-type: none"> Manage the implementation of the review of the Community Road Safety Programme. 	100%	3
Road Safety Trust administration		
<ul style="list-style-type: none"> Road Safety Trust administration. 	100%	3

Output Class: Safety Audit

Land transport safety auditing

Auditing of vehicle certifiers and vehicle certification centres		
<ul style="list-style-type: none"> Number of audits completed (regions) 	100%	3
<ul style="list-style-type: none"> Number of WoF and LVV reviews completed (VCU) 	100%	3
<ul style="list-style-type: none"> 100% of audits comply fully with appropriate procedure manuals and assessed risk profile. 	100%	3
Audits of agencies involved in the border check process		
<ul style="list-style-type: none"> Quarterly report on compliance with standards and guidelines. 	100%	3
Audit of testing services		
<ul style="list-style-type: none"> Number of audits completed per month—five to seven 	100%	3
<ul style="list-style-type: none"> 100% of audits comply fully with appropriate procedure manuals and assessed risk profile. 	100%	3
Audit of driver licensing activities		
<ul style="list-style-type: none"> Number of audits completed per month—five to six 	100%	3
<ul style="list-style-type: none"> 100% of audits comply fully with appropriate procedure manuals and assessed risk profile. 	100%	3

Result areas	Achieved %	On target 3 or 7
Audit of transport service operations—fleet audits		
• Number of audits completed per month—three to four	100%	3
• 100% of audits comply fully with appropriate procedure manuals and assessed risk profile.	100%	3
Monitoring and review of transport service operators		
• Number of audits completed per month—12 to 13	100%	3
• 100% of audits comply fully with appropriate procedure manuals and assessed risk profile.	100%	3
Vehicle crash investigations		
• 100% undertaken in accordance with MoT/Transit New Zealand accident procedures	100%	3
• 100% of investigations commenced within 24 hours.	100%	3
Joint crash investigations		
• 100% undertaken in accordance with MoT/Transit New Zealand accident procedures	100%	3
• 100% of crash reduction studies to be completed by 30 June 2002.	100%	3
Audit programme of road controlling authorities (RCAs)		
• One to two topic areas each with a sample of approximately 30 RCAs by 30 June 2002.	100%	3
Rail safety auditing		
• Rail safety audits—demand driven six to eight per month	100%	3
• Special focus audits	N/A	N/A
• Reporting on TAIC recommendations—reporting quarterly.	100%	3

Output Class: Licensing

Issuing driver licences

• 98% of Driver Licence Register data accurate	97%	7
• 100% written responses accurate.	99%	7

Issuing land transport licences

Result areas	Achieved %	On target 3 or 7
Issuing transport services licences (TSL)		
• 100% TSL and taxi approvals issued within 10 working days	100%	3
Issuing over dimension permits		
• 100% of ordinary permits issued within 24 hours	100%	3
• 100% of special permits issued within 48 hours.	100%	3
Rail operator licensing		
• Annual review of rail service licences by 28 February 2002	100%	3
• New licence applications—on demand	100%	3
• Safety system variations—on demand.	100%	3

Output Class: Driver Testing

- | | | |
|--|-----|---|
| • 100% of tests within quality and timeliness guidelines in contracts with testing agents. | 98% | 7 |
|--|-----|---|

Output Class: Assessments

Payment of assessment fees

- | | | |
|---|------|---|
| • 100% of payments accurate and processed within 10 working days. | 100% | 3 |
|---|------|---|

Output Class: Vehicle Impoundment

Payment of fees to storage providers

- | | | |
|---|-----|---|
| • 100% of payments accurate and processed within 10 working days. | 99% | 7 |
|---|-----|---|

Key performance indicators

Key to abbreviations used

ANCAP	Australian New Car Assessment Programme	NRSC	National Road Safety Committee
CBA	Competency based assessment	RCAs	Road controlling authorities
CTT	Computerised theory tests	S(A)P	Safety (Administration) Programme
LVV	Low volume vehicle	TAIC	Transport Accident Investigation Commission
MoT	Ministry of Transport	TARPs	Targeted audience rating points
NRSAG	National Road Safety Advisory Group	TSL	Transport Services Licences
		VCU	Vehicle Certification Unit (LTSA)
		WoF	Warrant of Fitness

Report on significant activities

Output Class: Policy Advice

Output: Advice on safety information and promotion

Road Safety Strategy 2010

The work programme was significantly delayed as government focused on developing a strategic picture for the transport sector as a whole. This required considerably more time on analysing land transport safety implications for the New Zealand Transport Strategy (NZTS) and for transport management proposals.

Following government decisions on overall goal and direction for the proposed road safety strategy, LTSA and Police business cases for implementing the strategy were finalised with the Ministry of Transport (MoT) and Treasury. The National Road Safety Committee also agreed, subject to final government approval, on a sector wide implementation plan for the strategy. Work began on drafting a final strategy document, and on a programme management framework to support effective implementation of the final strategy by the LTSA and its partners.

Considerable progress was also made in assessing what safety performance can be expected from the rail transport industry. The results of this work, and final documentation for the road safety strategy will be presented to the Minister of Transport after the general election.

Significant effort was directed through the year to the development of other related government strategies. Government decisions on a NZTS included objectives of:

- assisting economic development
- ensuring safety and personal security
- improving access and mobility
- protecting and promoting public health
- ensuring environmental sustainability.

These objectives demonstrate the cross-sectoral linkages that will be needed to ensure an effective strategy. Road safety is one of five land transport funding priorities under this strategy. It is envisaged that, within the NZTS framework, a number of individual strategic documents will state the application of the transport vision and priorities to specific transport areas. The Road Safety Strategy 2010 is one such strategy.

The Road Safety Strategy will also play an important role in delivering government objectives in two other related strategies. The first is the New Zealand Injury Prevention Strategy, currently in draft form, the vision of which is “a safe New Zealand—injury free”. Motor vehicle traffic crashes are one of six priority areas. The second is the Crime Prevention Strategy. Crime reduction targets and measures are to be established for each of the crime priority areas/goals, one of which is “to reduce serious traffic offending”.

The basic framework for the LTSA’s Strategic Plan 2002/2006 was set in 2001, with the Authority establishing a new set of vision, mission, goals and strategic priorities for use in the 2002/2003 business planning round. The final plan will be documented early in the new financial year alongside government announcements of new safety targets.

Ongoing strategic development and analysis work saw another full schedule of surveys behaviour and attitude surveys completed—providing critical information to assess progress to meeting safety outcomes targets. A four-year evaluation of the Supplementary Road Safety Programme was also completed which re-emphasised the excellent safety progress made through this core advertising and enforcement work since 1996. A review of the resource allocation model for the New Zealand Road Safety Programme was also completed, and found that the current allocation is producing near optimal results. Finally, the development of control charts to better monitor safety performance at a Police district level continued to progress with more districts expected to join this programme of work in the next year.

Rehabilitation of serious and repeat traffic offenders

The LTSA completed its review of serious traffic offenders and submitted a report to government in June 2001. The LTSA then made comprehensive comments on the draft Cabinet papers prior to them being circulated to other departments for consultation in September 2001. The draft Cabinet papers were considered and accepted by Cabinet in December 2001. The LTSA is now awaiting drafting instructions for comment.

Output: Advice on land transport licensing

Evaluation of driver licensing policy changes

Work in this area included the completion of two surveys on driver licensing. These were a survey of novice drivers, who had recently sat the full licence test, and a survey of restricted licence holders, who had held this class of licence for more than two years. The results of the latter survey were being finalised at year-end, so the report to the Minister included preliminary results. Quarterly reports were submitted to the Minister on work on other aspects of driver licensing policy.

Review of land transport licensing policy

Review of operator licensing

The review was finalised and the LTSA provided recommendations to the MoT. The LTSA then made comments on the draft Cabinet paper, undertook further assessment of impacts and provided further justification to the Ministry on key proposals. The Cabinet paper was due to go to Cabinet in June 2002, however, it was withdrawn for consideration after the election.

Review of driving hours and logbooks

The LTSA finished the review of the driving hours and logbooks system and the recommendations arising from it were provided to the MoT. The LTSA commented on the draft cabinet paper arising from the recommendations, and also provided assistance to the MoT on some further targeted consultation that occurred in May 2002. The Cabinet paper is currently awaiting consideration by the government.

Review of driver licensing standards

Joint LTSA–AustRoads older driver model re-licensing project

A report was provided to the Minister of Transport in February 2002. This provided an update on the trial of off-road screening tools, and noted that research and evaluation of these tools was unlikely to be completed in the next year and that commercial development of the tools may also need to be undertaken. The LTSA recommended that

the Minister agree to it examining a number of interim options. Work is continuing on the assessment of the safety implications of policy options.

Review of driver licensing tests

Feasibility of computerised theory tests (CTT)

An initial report on issues (March 2001) found that CTT would not be sufficient by itself to provide a viable testing system. The report recommended that any decision be put off for at least 12 months to October 2002. It was agreed that this would allow for further consideration of hazard perception testing and older driver screening, with a view to their possible inclusion in the business case. A separate project was established to investigate a limited introduction of CTT at selected sites to alleviate language and literacy problems. Testing templates in different languages were piloted in late 2001 with a positive result. Planning is underway on the implementation of the project.

Competency based training assessment (CBTA) for novice motorcycle riders

Course material for CBTA is being prepared in consultation with industry. A feasibility report was submitted to the Minister in June 2002 indicating progress to date, the likely feasibility of CBTA for motorcycle riders, and a timeframe for future reports on progress.

Rail safety policy

There was considerable activity on key safety issues during the year arising from major changes in the railway industry mainly arising from the re-structuring of Tranz Rail Ltd. For the first eight years after privatisation the former state-owned railway remained relatively intact, running freight, passenger and commuter trains, and undertaking all its own maintenance. However, changes have introduced a number of new operators and contractors involved in railway main line operations.

In late 2000, Tranz Rail Ltd announced a new strategic direction, concentrating on unit trains of bulk freight. The company also sold off its long distance passenger services, which have been passed to Tranz Scenic 2001 Ltd. The Auckland metropolitan commuter network is being taken over by the government initially, and is likely to be handed over to

a regional government structure (not yet finalised). The Wellington metropolitan commuter network may also be sold. In addition, Tranz Rail Ltd has contracted out the maintenance of infrastructure and rolling stock.

The LTSA has been actively involved on the safety issues arising from these changes. The Authority also worked closely with the MoT to develop the draft Rail Bill, which reflects the lessons learnt from recent work with the railway industry. Work was also carried out with heritage, tourist and industrial rail operators throughout the year on the regulation of railway safety.

Road environment safety policy

Road User Rule

A discussion paper on aspects of the proposed *Road User Rule* was released for public consultation during July to September 2001. Submissions on the paper were analysed, summarised and forwarded to the MoT with suggested instructions for preparation of the yellow draft of the rule by the Parliamentary Counsel Office, scheduled for release in late 2002.

Traffic Control Devices Rule

The red draft of the rule was completed with the assistance of a technical advisory group and was released to road controlling authorities for comment during February to April 2002. Presentations outlining the proposed rule were made to meetings of practitioners, regional liaison groups and the Road Controlling Authorities Forum. Submissions on the proposed rule were analysed and summarised for use in preparing the yellow draft of the rule, to be released for public comment in late 2002 together with the draft *Road User Rule*.

Heavy motor vehicle policy

The yellow draft of the *Vehicle Dimensions and Mass Rule* was released for public comment during July to September 2001. Submissions on the draft were analysed, summarised and used in preparation of the final draft which was completed by the end of 2001. The rule was signed into law in May 2002 and took effect on 1 July 2002.

The rule sets dimension and mass limits for all vehicles and their loads operating on public roads, with emphasis on increasing compliance with the requirements while reducing compliance costs and costs of enforcement. It enables specialist vehicles exceeding the limits to operate under restricted circumstances, with safety and road protection measures imposed.

An issues paper *Transit New Zealand Proposals for Higher Mass and Dimension Limits* was issued with the above draft rule in July 2001. The issues paper covered options proposed for allowing longer and heavier vehicles on roads was released for comment. Submissions on the proposals were analysed and discussed in consultation with Transit New Zealand and the MoT, and agreement reached on the need to undertake additional work to examine several key issues raised before the proposals could be considered further.

Dangerous goods policy

Amendments to the *Dangerous Goods Rule* were prepared for release as a yellow draft in the forthcoming year. The amendments address recent changes in the United Nations Recommendations on the Transport of Dangerous Goods and minor changes to ensure consistency with regulations made under the Hazardous Substances and New Organisms (HSNO) Act 1996. Three exemptions issued under section 166 of the Land Transport Act 1998 will also be included as standard operating procedure in the amended Rule.

Safety management systems

The model Safety Management System (SMS) for use by road controlling authorities was further refined by incorporating experience from pilot systems under development by a number of local authorities. Safety management systems developed by Christchurch and Hamilton cities were reviewed, and work commenced on preparation of guidelines to assist other road controlling authorities in developing similar systems. A comprehensive implementation programme for the SMS approach was prepared and incorporated into the Road Safety Strategy 2010.

Speed management

A final consultation (green) draft of the *Speed Limits Rule* was prepared and released to road controlling authorities for comment during March to May 2002. Presentations on the purpose and content of the rule were

made to regional liaison groups and industry meetings. Submissions on the draft rule were analysed and summarised in consultation with the MoT for incorporation into a final draft, scheduled for completion late in 2002.

Vehicle safety policy

International Vehicle Standards Harmonisation Programme

New Zealand acceded to the 1958 and 1998 Geneva Agreements on 26 January 2002 and was represented at that forum in June for the first time. The joint annual Trans Tasman Mutual Recognition Arrangement (TTMRA) co-operation report was drafted and agreed with the Australians and then approved by Australian and New Zealand Ministers. However, work continues on the means for setting in place a permanent exemption for some vehicle standards within the TTMRA framework.

Development and review of vehicle safety policy and legislation

Technical and policy work was delivered for the 11 new and revised rules, associated with the vehicle safety package, which came into force on 1 April 2002. The Minister of Transport signed the first group of rules on schedule in December 2001, and the second set in February 2002. Work then focused on implementation and promulgation of the new law, especially the revised *Frontal Impact Rule*. This included the preparation of responses to challenges submitted to the Regulations Review Committee on the *Frontal Impact Rule*. The inquiries lapsed because of the early election and pending the convening of a new committee at which time either the complainants or the Committee may re-instate the proceedings.

Policy development on vehicle safety issues

Vehicle safety policy was developed and implemented with respect to the investigation of drive shaft failure and power-operated doors on buses, noisy vehicles, tow bar certification, private imports and school bus safety. This was in addition to progressive implementation of the 11 new and revised rules associated with the vehicle safety package.

The latest ANCAP tests on utility vehicles were successfully launched. A pilot study by Monash University Accident Research Centre (MUARC) to test the production of a crashworthiness index for the New Zealand fleet was completed successfully and the next stage in the study commenced.

A pro-active communication strategy covered a range of vehicle safety issues including space saver tyres, safety belts and brakes, and promulgation of issues associated with the vehicle safety package.

School bus safety

A wide-ranging review of school bus safety was started. The project aims to review the safety of dedicated school bus services to establish if all practicable (cost-effective) measures to minimise the risk to children using these services have been identified, and to determine if the measures currently in place are functioning as they were intended. It will look at the school bus service as a whole encompassing risks and risk management issues arising from catching the bus, the journey, disembarking and the immediate vicinity of the bus post-journey, and vehicle and driver standards.

A second objective is to identify best practice in school bus-related safety activities in non-regulatory areas such as driver, passenger and parent education, disciplinary processes, and local management and consultative techniques. The purpose being to establish a means by which locally developed initiatives can be assessed and made available to other communities.

Codes, standards and inspection guides

Seven new and revised *Infosheets* were produced to inform concerned parties of law changes associated with the new and revised rules coming into force on 1 April 2002. Four new low volume vehicle standards related to the rules were finalised by the LTSA and the Low Vehicle Volume Technical Association. Revision three of the Code has been signed and gazetted.

New Zealand standards and joint New Zealand/Australian standards

Ongoing input was provided to the development of New Zealand and Australian standards.

Rule development programme

The rules programme for 2001/2002 was an ambitious one, prepared with the statutory expiry date of 1 July 2005 for transport regulations in mind. It had large resource implications for both the Land Transport Safety Authority and the Ministry of Transport. However, the Regulation Review Committee and Transport and Industrial Select Committee inquiries into the *Frontal Impact Rule* consumed a significant amount of the resource that would normally have been dedicated to rules development. Consequently, the rules programme was amended with the agreement of the Ministry and the revised milestones were met, as far as was possible. Of the 13 rules agreed to be top priority rules for 2001/2002 and scheduled for sign-off, only one (the *Setting of Speed Limits Rule*) was not signed.

Output: Advice on land transport auditing

Pilot of an alternative compliance fatigue management programme

The LTSA has been working with five participating operators and has held a number of initial and follow-up meetings with each operator. Significant progress has been made with one operator, who has submitted their alternative proposal. Drivers and supervisors from this company have attended the Driver Fatigue Awareness Training specifically designed by the LTSA for the trial, and all drivers have completed the benchmark driver fatigue surveys. Two operators have withdrawn from the trial, one citing resource constraints. Both have been replaced. Due to delays with this project, the Minister was advised that the June 2002 report would not be a final report and that the final report would be submitted by June 2003. Two update reports have been provided to the Minister.

Output Class: Safety Information and Promotion

Output: Safety information

New Zealand Road Safety Programme

Making the roads safer is a large agenda shared by several agencies working together from their different perspectives, but with a common aim. The Ministry of Transport, the LTSA, the New Zealand Police, Transit New Zealand, Accident Compensation Corporation, local authorities and Transfund New Zealand have together engaged in a process of high level strategic co-operation with the primary goal of providing a co-ordinated approach to road safety.

This strategic co-operation and co-ordination is given practical effect through the safety target-setting, planning, funding, delivery, research and evaluation and performance management mechanisms of the National Road Safety Plan and the New Zealand Road Safety Programme (NZRSP). The principles of co-operation and co-ordination are manifest in the administrative and organisational arrangements that apply to the NZRSP. The hallmark of this programme is the strength of its consultative processes that reach from the chief executives of the agencies working through the National Road Safety Committee right out through to the “flax roots” knowledge, negotiation and advocacy that characterises the Community Road Safety Programme.

The 2001/2002 NZRSP continued the implementation of the package of road safety initiatives that were approved in the June 2000 Budget. The package included the following initiatives:

- additional community programme funding
- Maori and Pacific peoples’ community education funding
- membership of the Australian New Car Assessment Programme
- strengthening of the New Zealand Police strategic capability
- the establishment of a dedicated Highway Patrol
- improvements in the monitoring of commercial vehicles by the New Zealand Police
- enhanced alcohol compulsory breath testing projects.

In addition, the LTSA has been involved in a number of significant activities that have contributed to the development of the 2002/2003 NZRSP, including the following:

Introduction of New Zealand Police Road Safety Action Plans

A three-tiered, risk-targeted, road policing model has been identified and developed. The tiers include the annual NZRSP; a quarterly Road Safety Action Plan; and the weekly/monthly Risk Targeted Patrol Plans. Road Safety Action Plans involve a collaborative process at New Zealand Police District level whereby key partners (the LTSA, the New Zealand Police and road controlling authorities) agree on the risks, set targets, identify objectives, direct tasks, and monitor and review progress throughout the year.

Development of New Zealand Police performance measures

The LTSA has worked closely with the New Zealand Police on the development and consolidation of the New Zealand Police performance measures for the 2002/2003 year. A key feature of this year's performance measure was the inclusion of the New Zealand Police's Road Safety Action Plans (RSAP), as discussed above, in the New Zealand Police strategic output measures.

Review of LTSA's Community Road Safety Programme

A key piece of work undertaken within the NZRSP framework was the review of the LTSA's Community Road Safety Programme. The review is discussed in the Grants Management Output Class section below.

Safety information publications

Eleven driver licensing fact sheets were updated and support information (a poster and two brochures) was completed. These were distributed through agents to inform drivers of the fee changes introduced on 31 December 2001. Reminder packs for older drivers and general drivers were updated to take account of the fee changes.

Road Safety Issues Reports were produced for each region. These reports presented regional road safety statistics, outlined the major road safety issues in each region and made recommendations to address those issues.

Each of the three *Road Codes* was revised prior to reprinting at least once during the year. A national version of the *Positive Guide for Mature Road Users*, based on the original version developed by Kapiti Coast District Council, was prepared and published. Flip chart presentations were developed on both the driving test for novice drivers and the older driver test. These are for use by the deliverers of courses and training to each of the groups.

Road safety education programme

The primary school road safety education programme, RoadSense Ata Haere, was launched for the 2002 school year with 230 schools participating. Support for the schools involved in the programme is being provided by an education sector contractor. Various support resources were developed for the programme including the *Teacher handbook*, a curriculum contexts document, alphabet charts and a multi-faceted website. The popular *Chaos at the school gate* pamphlet was translated into eight languages, selected on the basis of demand.

All of the general driver licence theory “scratch” papers were translated into four written (five spoken) languages (Maori, Chinese, Korean and Arabic) and trialled at licensing centres. A more extensive implementation, including two further languages is currently being trialled before a national roll-out. A second trial of the proposed replacement restricted licence test was completed and final documentation was prepared prior to consultation on the *Driver Licence Amendment Rule*.

Support for the Street Talk and Safe with Age courses continued, with significant numbers of Safe with Age facilitators being trained.

Four of the standards that define approved driver licensing courses were revised and released for implementation. Standard assessment documents were also prepared and released for each of the revised courses. Two New Zealand Defence Force courses were approved for use in the accelerated driver training of defence force personnel.

LTSA staff participated in a number of non-S(A)P funded activities with a road safety emphasis. Activities included involvement in the Cycle Steering Committee, KidSafe Week, Students Against Driving Drunk advisory committee and the Child Safety Foundation. The launch of the 2001 KidSafe Week was arranged and hosted by LTSA. Other activities included presentations at driver educator seminars held by the New Zealand Automobile Association Driver Education Foundation.

Vehicle safety publications

With the *Vehicle Dimensions and Mass Rule* coming into force a new series of fact sheets was produced providing information about heavy and light vehicles, trailers, static roll threshold and over dimension vehicles and loads.

A pamphlet entitled *We're sorry we failed your safety belts. But here's why...* was produced for warrant of fitness agents to inform the public of why their safety belt did not pass a warrant of fitness.

Output: Safety promotion

Road safety advertising package

The advertising package is designed to support the New Zealand Police's enforcement efforts and joint planning is carried out each year to ensure that advertising activity fits the theme of Police activity. In line with the need to target the highest risk areas, speeding, drink-driving and the non-wearing of safety belts were again the focus of the campaign. A print campaign addressing the fourth greatest risk, driver behaviour at intersections, was also run. As well, additional funding has enabled the LTSA to target road safety risk areas within Maori and Pacific communities.

Output Class: Grants Management

Output: Community road safety projects

Community projects

The LTSA funded 463 community through the Community Road Safety Programme component of the NZRSP during the year, including 127 specifically targeted to address the road safety issues of Maori and Pacific communities.

Included in these projects, the LTSA provided salary subsidies for 50 Road Safety Co-ordinator (RSC) positions. The role of the RSCs is to give road safety prominence at a local level by facilitating community, organisational and individual involvement in local road safety activities, and to ensure that community road safety programmes are well targeted, directed and managed. The RSCs work with communities, the LTSA and

other key road safety partners to ensure that the funding of community road safety projects contributes to the achievement of the National Road Safety Plan's targets for improving road safety.

Community project review

During the 2001/2002 year the LTSA undertook a comprehensive review of its Community Road Safety Programme (CRSP). The purpose of the review was to build on the programme's success to date and to enhance its future capacity to support the Road Safety Strategy 2010. This will be achieved by addressing the programme's philosophy and strategic direction, and ensuring effective management and delivery mechanisms.

The review was undertaken by an external reviewer and commenced during November 2001, with the final review report, *Enhancing road safety through community development: "It starts with saying Giddy"* published at the end of April 2002. The review was conducted in two phases. The first phase was a comprehensive information gathering process conducted for the purpose of understanding the potential for enhancement of the programme. The second phase involved a nationwide series of workshops with stakeholders, aimed at building consensus around an appropriate direction for change.

The review found that the CRSP is highly regarded by stakeholders. The main opportunities for enhancement were seen to be:

- that the way the CRSP operates in practice would benefit by moving back towards the core community development philosophy
- that efficiency and effectiveness would be improved by clarifying the lines of accountability and responsibility, and dealing with issues of concern around the employment arrangements of the RSCs, the planning regimes and decision making generally
- a strong demand for attention to training and development of the RSCs and community programme providers and also improved access to relevant information and information sharing and management tools
- that the operation of the programme needs to reflect the status of Maori as a Treaty partner and to better meet the specific needs the people of Pacific nations and other ethnic groups.

The Community Programme review concluded that, with appropriate focusing and resources, a combination of working with communities through a process of community development, and facilitating access to

a range of community road safety programmes delivered in a community context, the CRSP can play a key role in the Road Safety Strategy 2010, thereby contributing to a reduction in the trauma caused on New Zealand's roads. The reviewer made 17 recommendations, all of which have been agreed in principle by the LTSA, and work has commenced on implementation. The majority of implementation activity is scheduled for completion in time for the 2003/2004 year.

Community projects targeting Maori and Pacific peoples' road safety issues

During the past year, the LTSA has continued to develop strategies that have benefited Maori and Pacific peoples' communities at the national, regional and local levels. As a result of these developments the number of Maori and Pacific peoples' communities and providers involved with the Community Road Safety Programme has increased significantly. The strategies have included:

- Developing working relationships with Te Puni Kokiri, the Ministry of Pacific Island Affairs, the Ministry of Transport, the New Zealand Police, the Accident Compensation Corporation, the Ministry of Health and the Office of Ethnic Affairs.
- Developing sound relationships with a large number of Maori and Pacific peoples' communities.
- Addressing the recommendations of the report of the Maori and Pacific Peoples' Working Groups. This has included working to develop a treaty strategy and a cultural strategy for the LTSA. These strategies will enable the LTSA, as a whole, to be more responsive to Maori, Pacific and Asian peoples and people of other ethnic minority groups.

Output: Road Safety Trust grants management

Road Safety Trust

The Trust met three times this financial year and approved 45 grants for a total of \$1,005,982. Fifty-six percent of the grants were for large and small community projects targeting a wide variety of road safety priorities. The other 46 percent of the funds granted were directed toward research projects.

Output Class: Safety Audit

Output: Land transport safety auditing

Monitoring and auditing of LTSA agents and approved certifiers

The new vehicle certification unit in the LTSA was established in August 2001. The unit has been set up to ensure certifications carried out by approved private sector certifiers are accurate and consistent. The unit operates according to a “willing compliance” model, developed by the LTSA, where certifiers are encouraged to comply with the legal requirements.

Since its establishment the unit has been developing new working methods and systems. Performance reviews of warrant of fitness certifiers were started in November 2001, with the system being rolled out to all types of certification over the following months. The performance reviews focus on the items that are important to getting certification decisions right. These items were determined after extensive consultation with industry. Early results from the reviews are encouraging.

The unit operates on a cost recovery basis, with certifiers paying regulated fees to cover the costs. New fee regulations were introduced and applied to warrants of fitness from 1 March 2002 and low volume vehicles from 1 April 2002.

Implementation of vehicle safety rule changes

Two sets of vehicle safety rules were introduced in the year resulting in a series of projects to implement changes from the rules. A key project is the establishment of a new regime for testing replacement brake pads for light vehicles. The testing regime is being fully consulted upon with industry. The regime includes industry access to the testing method to enable importers and sellers of replacement brake pads to establish if their products meet the legal requirements.

A second key project underway is implementation of the requirement to install webbing grabber safety belts when front safety belts in cars fail a warrant of fitness inspection. This requirement becomes law on 1 April 2003.

Border checks of used vehicle imports

Following work in the 2001/2002 year on improving the entry certification and border inspection processes, options for changes were consulted on twice during the year to address issues with conflicts of interest and inspector competence. Decisions are yet to be made on any changes to the system, pending the consideration of submissions received into July 2002.

Ministry of Education bus tendering

The tendering process undertaken by the Ministry of Education was completed with assistance from the LTSA. The LTSA's involvement centred on providing advice on vehicle (and by extension, fleet) fitness to the Tenders Board.

The criteria used by LTSA were based on Certificate of Fitness (CoF) inspections, where major items from four main categories were used—brakes, steering, suspension and tyres. Information was obtained from the data warehouse for CoF inspections for the vehicles for the last two years.

Analysis of the CoF results for 1,705 vehicles was completed involving 203 passenger service operators. The number of vehicles was higher than initially advised due to some larger companies submitting their entire fleet. 165 vehicles were rejected because they had failed more than three CoF inspections over the last three years for the four main safety items identified. A total of 16 operators had their tenders rejected on this basis.

The process proved effective and can be developed further. Some issues relating to vehicle ownership were identified and will be further addressed as part of the proposed trial of the rating system using bus operators.

Operator safety rating

Work continued during the year on trials of the methodology for rating the safety performance of various groups of licensed transport operators. Participation and interest from industry is high in the concept and uses of operator safety rating. Further development of the concept requires changes to the Transport Services Licensing Act 1989.

During evaluation of the rating methodology the importance of treating safety defects on vehicles in a consistent manner was established. In

addition, the importance treating vehicle faults appropriately, depending on the road safety risk was determined. Vehicles operated by licensed operators are checked for safety defects in a variety of ways, including at CoF inspections, during fleet audits and at the roadside. Due to variations in the expertise and equipment used in these different types of inspections, any action taken after finding a vehicle fault needs to reflect the level of inspection. Together this type of classification of vehicle defects is called “categorisation of defects”. The first draft of categorisation of defects by road safety risk and inspection type was completed in the year. This will now proceed through a comprehensive development including consultation with Police, industry and certifiers.

Output Class: Licensing

Output: Issuing driver licences

Issuing driver licences and maintaining the driver licence register

Medical reviews

Medical standards for driving have increased since the implementation of the photo-driver licensing regime. Consequently, the profile of medical standards and assessment requirements has been heightened.

Significant work has been undertaken with the medical community to raise awareness of the medical standards for fitness to drive. A revised *Medical aspects of fitness to drive* guide was released to medical practitioners and other health professionals in June 2002. This will continue the success of the new regime in ensuring that drivers are medically assessed for fitness to drive, improving the contribution of the licensing regime to land transport safety.

Renewals

The level of licence renewals ran below expectations during the year. Significant work was therefore undertaken to make information more accessible and easier to understand. The aim was to make drivers aware of their obligations to renew their licence prior to it expiring.

Re-qualification

In April 2001 a new process was introduced for drivers required to re-sit the driver licence test if they had been disqualified from driving for more than 12 months, or if their licence had been expired for more than 12 months. The process has highlighted a number of drivers who have allowed their licences to expire, without being aware of the expiry date printed on the licence. Procedural changes have been made to increase public awareness of this possibility.

Output Class: Driver Testing

Output: Driver tests

Practical driving test volumes increased significantly for 2001/2002 compared with previous years. A total of 203,100 practical tests were undertaken compared with 164,600 for 2000/2001, and 142,900 for 1999/2000. Some delays were experienced early in 2001/2002 in obtaining tests due to the increases in volumes.

Numbers of older driver tests are high compared with previous years (32,300 for 2001/2002 and 28,300 for 2000/2001). This reflects an increasing number of people within the age groups covered by older driver tests.

A focus on continuous improvement has seen refinement of the tools used by the LTSA to monitor the standard of testing. Continued development of these tools will ensure tests are conducted consistently throughout the country.

Output Class: Motor Vehicle Registry and Revenue Management

The Motor Vehicle Registry and Revenue Management (MVRRM) functions operate under a contract between the LTSA and the Secretary for Transport, with funding provided through the MoT departmental output class: Motor Vehicle Registry and Revenue Management. MVRRM is a separately identifiable service within the Transport Registry Centre. MVRRM also funds the economic compliance functions of the Economic Compliance Unit which aims to reduce the level of Road User Charge (RUC) evasion.

Collection and refund of roading revenue

The MVRRM business collected \$1.74 billion of Crown revenue in 2000/2001. This comprises fees for the MVRRM output class (registration, licensing, change of ownership, Fuel Excise Duty and RUC), and ACC levies, LTSA levies and GST for the Inland Revenue Department.

The amount of revenue collected is ahead of budget, due to higher than projected transaction volumes. The benefits of the continuous vehicle licensing regime continue, with a very high proportion (about 89 percent) of the vehicle fleet being licensed at any time.

Economic compliance

The effectiveness of the Economic Compliance Unit is very dependent on close liaison with the New Zealand Police's Commercial Vehicle Investigation Unit and the Transport Registry Centre. The working relationships, agreements and joint operations continued to be very effective during the year.

The number of investigations undertaken during the year was down on budget due mainly to the targeting of larger operators and groups of operators. These investigations take longer to complete, but are more beneficial in terms of returns.

Our people

Authority

The Chair, and the members of the Authority, are appointed by the Governor-General, on the recommendation of the Minister of Transport. They serve for a term of up to three years each and legally constitute the Authority (also known as the “Board”).

Profile of Authority members

Wayne Brown—Chairman

Wayne Brown BE FIPENZ FIDNZ is a registered engineer, chairman of the Auckland District Health, Vector Ltd, Vortech Ltd and Waahi Paraone Ltd, and director of Festival Films Ltd and Cabletalk Ltd.

Rt Hon David Lange—Deputy Chairman

David Lange has a professional qualification in law from Auckland University. He practised as a lawyer on his own account in Kaikohe before returning to Auckland where he tutored at Auckland University and completed an LLM with first class honours in criminal law, criminal behaviour and medico-legal issues. He practised law in Auckland from 1970 until he entered Parliament in 1977. From 1984 to 1989, Mr Lange was New Zealand’s Prime Minister. During his tenure he also held the foreign affairs and education portfolios, and was Attorney General and a Privy Councillor. Mr Lange was made a Companion of Honour in 1990. He retired from Parliament at the general election of 1996. David Lange is a director of Housing New Zealand Limited.

Gretchen Kivell

Gretchen Kivell is a professional engineer with 18 years’ experience in the industry. As well as working in consulting engineering for eight years, Ms Kivell has worked in a range of production industries in the United Kingdom and New Zealand. She also has experience in tertiary education management. Ms Kivell is a past President of the Institution of Professional Engineers of New Zealand.

Simon Mitchell

Simon Mitchell, a lawyer, has specialised in areas of practice including transport law, employment law and family law. He regularly appears on behalf of clients in courts at all levels.

Te Taru White (to 31 August 2001)

Te Taru White currently chairs several significant central North Island Maori land-based trusts, incorporations and companies in the forestry, agriculture and hospitality sectors. He is on the Board of Directors for Lakeland Health Limited and is chairman of the Board of Directors for Okawa Bay Lake Resort.

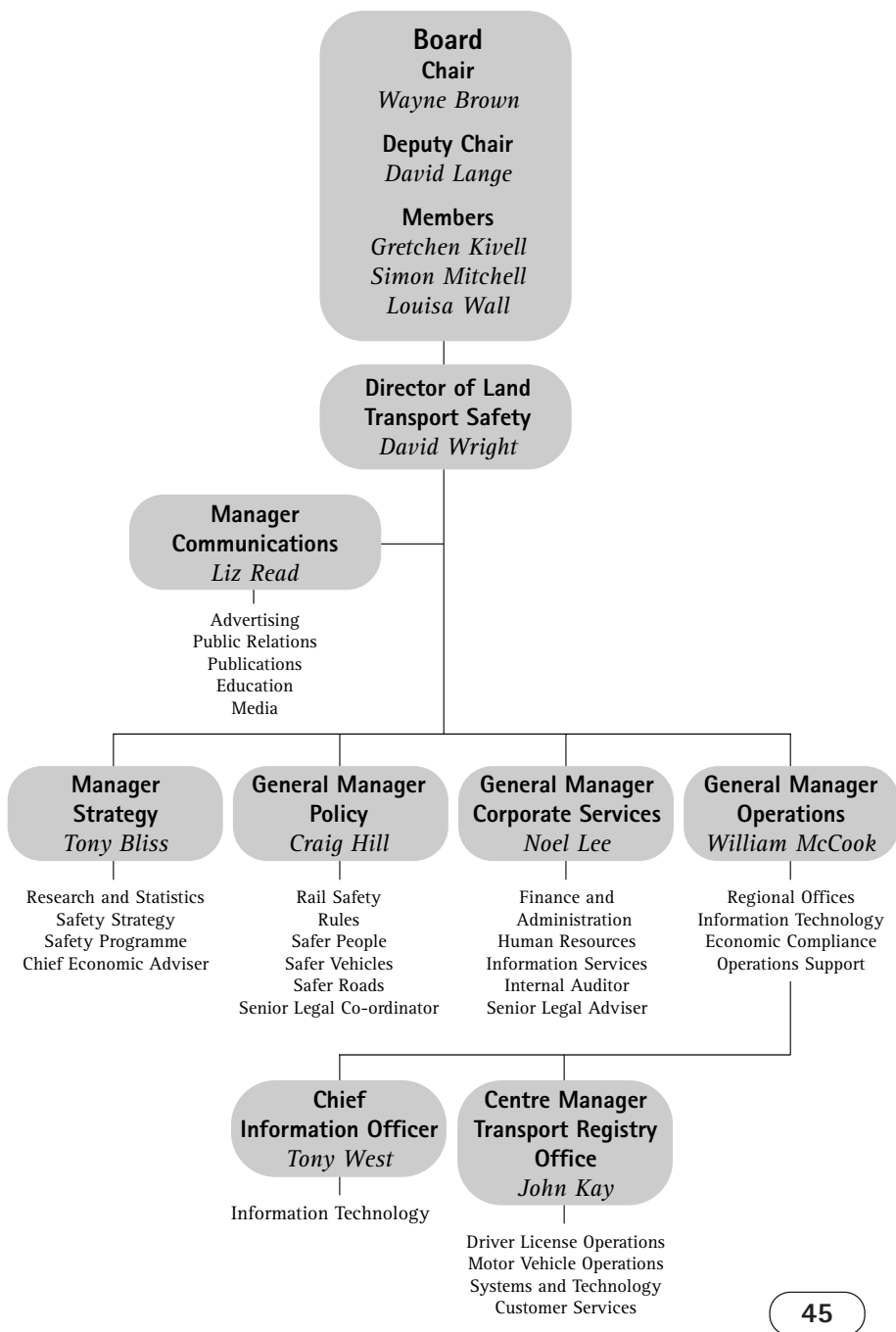
Louisa Wall (from 1 September 2001)

Louisa Wall has a Master of Philosophy, Social Policy from Massey University. She has a background in mental health and is currently employed as Kaiwhakahaere Rangahau Hauora for the Health Research Council of New Zealand. Louisa has represented New Zealand in netball and rugby and sees herself as a role-model.

Structure

The LTSA employs around 500 staff and outsources over 85 percent of the value of the business. It comprises a Head Office, seven Regional Offices and the Transport Registry Centre.

Land Transport Safety Authority members and management team



Location of LTSA Offices

Head Office

Level 4, 7-27 Waterloo Quay, PO Box 2840, Wellington
Tel 64 4 494 8600, Fax 64 4 494 8601

Auckland

Level 6, 1 Queen Street, Private Bag 106602, Auckland
Tel 64 9 377 3400, Fax 64 9 357 1615

Christchurch

Level 5, BNZ House, Cathedral Square, 129 Hereford Street,
PO Box 13364, Christchurch
Tel 64 3 363 5666, Fax 64 3 363 5655

Dunedin

AA Centre, 450 Moray Place, PO Box 5245, Dunedin
Tel 64 3 477 7789, Fax 64 3 474 1434

Hamilton

183 Collingwood Street, Private Bag 3081, Hamilton
Tel 64 7 839 7000, Fax 64 7 839 7001

Napier

Level 3, Housing Corporation Building, 215 Hastings Street,
PO Box 972, Napier
Tel 64 6 835 8187, Fax 64 6 835 2292

Palmerston North

71 Queen Street, PO Box 1947, Palmerston North
Tel 64 6 356 5016, Fax 64 6 356 5017

Transport Registry Centre

53-75 Queen Street, Private Bag, Palmerston North
Tel 64 6 356 5150, Fax 64 6 350 2347

Wellington

Master Builders House, 234-242 Wakefield Street,
PO Box 27249, Wellington
Tel 64 4 801 8494, Fax 64 4 382 6420

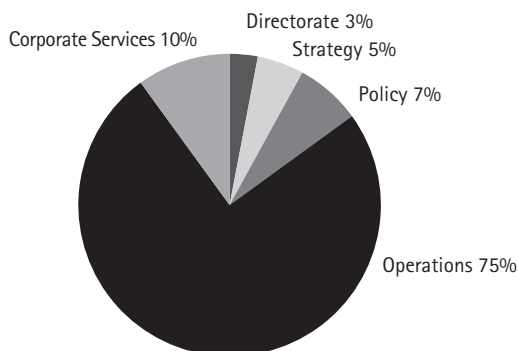
Whangarei

Level 1, NZ Post Building, cnr Rathbone and Robert Streets,
PO Box 1664, Whangarei
Tel 64 9 459 6315, Fax 64 9 459 6318

Human resource management

The LTSA employed a total of 513 people at 30 June 2002. About 75 percent (382) of employees work in the Operations Division, with 37 percent (192) of staff based at the Transport Registry Centre (TRC) in Palmerston North.

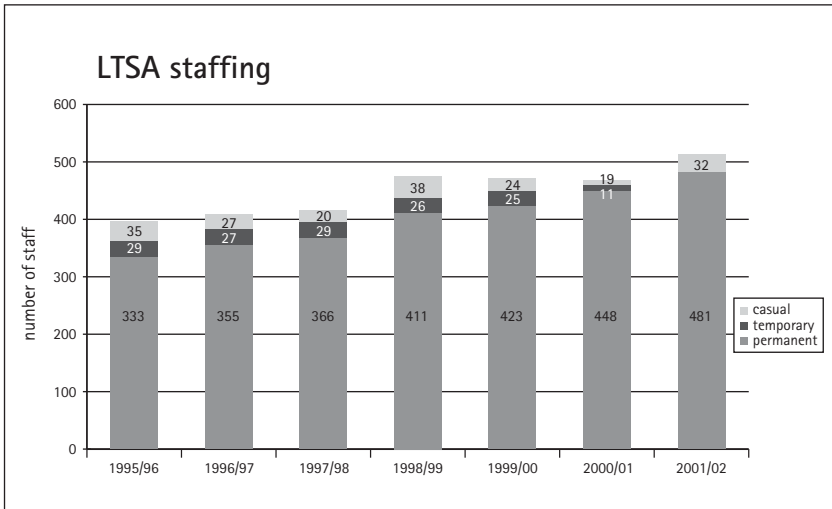
LTSA staff numbers as at 30 June 2002



The majority of employees at the LTSA work on a permanent full-time basis 89 percent (458). Four percent (23) work permanent part time. The remainder of six percent (32) work on a temporary or casual basis. Forty-one people or eight percent belong to the managers group.

Overall staffing levels show an increase in permanent full-time staff numbers (up by 20 on last year) and a decrease in the number of staff employed on a temporary or casual basis (down by 11 on last year). The increase last year was due to bringing back into the organisation the vehicle certification function and the consequent establishment of the Vehicle Certification Unit. Annual turnover for the year was 9.39 percent (34 out of 458).

Women make up 55 percent (280) of the overall workforce. The majority of these women work in Motor Vehicle Operations at the TRC. Women represent 34 percent (14) of the managers group. There are 14 percent (74) of all employees under 30 years of age and five percent (24) are aged 60 or over.



Staff continued to attend a range of technical and general training courses, seminars and workshops during the year. As in other years, a number of staff presented papers at international meetings and remain technical experts sought after in the global land transport safety arena.

New legislation continues to provide impetus to review and refine current policies, practices and systems, such as the changes to health and safety in employment, changes to the Human Rights Act and the introduction of paid parental leave this year.

The LTSA is aiming for secondary level status under the ACC Workplace Safety Management Practices following on from achieving primary level in 2001. The LTSA has implemented a number of key health and safety initiatives this year including:

- the establishment of a Health and Safety Committee at Head Office to complement the regional committees
- health and safety training for all LTSA staff
- the development of health and safety strategies for specific functional groups (e.g. compliance and engineering).

Other key human resources activities during 2001-2002 were:

- the strategic review of the philosophy and practice of the LTSA remuneration structure
- the review and update of the human resources policy framework.

The LTSA has again successfully renegotiated the Collective Employment Agreements with both the Public Service Association of New Zealand and with the New Zealand Engineering, Printing and Manufacturing Union.

Our resources

Information technology management

The LTSA's Information System Strategy (ISSP) was revised in September 2000. The ISSP is driven by the LTSA's business requirements which are information intensive and require quality information, at the right place and time.

The LTSA's success in information technology (IT) service delivery and recent major IT projects is the result of applying good IT practice at three levels:

- Strategically, by aligning IT strategies to business direction.
- Tactically, by supporting and enabling initiatives to change and adopt LTSA's business practices to meet a changing business environment.
- Operationally, by supplying and supporting the IT infrastructure.

The LTSA sources the majority of its IT operations from outside of the organisation, but retains the tactical and strategic capability in-house. The organisation also has in-house capability to manage the significant IT supply contracts.

Risk management

The business risks faced by the LTSA have been identified using NZS4360. After defining the organisational context, this standard requires that the risks are identified, analysed, assessed and treated. Throughout this process, monitoring and review play key roles. Each manager is responsible for ensuring the LTSA's compliance with this legislation in his or her particular area of responsibility. This is ensured through the regular monitoring of work programmes to maintain robust compliance.

Business continuity

The LTSA has developed a series of Business Continuity Plans and Emergency Contingency Plans to ensure that it can respond to, and continue to function during, emergencies. These are regularly reviewed and regular staff training is conducted.

Asset management

Assets include:

- leasehold interests
- furniture and fittings
- office and plant equipment
- motor vehicles
- IT hardware and software.

The LTSA manages its register of assets consistent with the goal of demonstrating excellence in total business management and in the stewardship of each component of the business. The register records purchase costs, sale and disposal, and asset movement details. The LTSA depreciates the value of assets on a straight-line basis at rates that will write off the cost of the assets less residual value over their estimated useful lives. The LTSA has a policy of leasing rather than owning office accommodation. This applies to the Head Office in Wellington, the seven Regional Offices, and the TRC in Palmerston North.

Publications available

The LTSA produces an extensive range of information about road and rail safety. It also produces the following documents that provide further information about the LTSA's structure and functions:

Strategic Plan 2002-2006

Corporate Profile

Client Service Charter

Statement of Intent 2002/2003

New Zealand Road Safety Programme 2002/2003

Road Safety Strategy 2010

Numerous fact sheets

Website

Information about the LTSA and its activities is available on the LTSA's website at www.ltsa.govt.nz. All the Authority's fact sheets can be viewed and downloaded from the site.

Legal Responsibilities

The core Acts that the LTSA operates under and enforces are:

Land Transport Act 1998

Transport Act 1962

Transport Services Licensing Act 1989

Transport (Vehicle and Driver Registration and Licensing) Act 1986

Road User Charges Act 1977

Hazardous Substances and New Organisms Act 1996

Land Transport Safety Authority Statement of Responsibility for the year ended 30 June 2002

The Chairman of the Land Transport Safety Authority acknowledges responsibility for the preparation of the financial statements and the judgements made herein.

The financial statements have been prepared in accordance with generally accepted accounting practice.

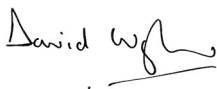
Internal control procedures provide reasonable assurance as to the integrity and reliability of the financial statements.

In the opinion of the Chairman and the Director of Land Transport Safety the financial statements fairly reflect the financial position and operations of the Land Transport Safety Authority for the year ended 30 June 2002.



W Brown

Chairman
27 August 2002



D R Wright

Director of Land
Transport Safety
27 August 2002



N M Lee

General Manager
Corporate Services
27 August 2002

Statement of Objectives and Service Performance for the year ended 30 June 2002

The following section specifies LTSA delivery against its commitments as outlined in the Statement of Intent for 2001/2002. This information is of a quantitative nature, with management commentary provided where figures are not totally self-explanatory. For detailed explanations of our deliverables, and other significant work undertaken by the LTSA, please refer to the Director's report.

Contents

Output Class: Policy Advice

- Advice on safety information and promotion
- Advice on land transport licensing
- Advice on land transport safety auditing
- Ministerial servicing

Output Class: Safety Information and Promotion

- Safety information
- Safety promotion

Output Class: Grants Management

- Community road safety projects
- Road Safety Trust grants management

Output Class: Safety Audit

- Land transport safety auditing

Output Class: Licensing

- Issuing driver licences
- Issuing land transport licences

Output Class: Driver Testing

- Driver testing

Output Class: Assessments

- Assessments

Output Class: Vehicle Impoundment: Land Transport

- Vehicle impoundment

Output Class: Motor Vehicle Registry and Revenue Management

- Collection and refund of roading revenue
- Maintenance and supply of motor vehicle information
- Road user charges evasion, detection and enforcement

Output Class: Policy Advice

Under this output class the Minister of Transport purchases advice on land transport safety issues:

- Advice on land transport safety information (including road safety strategies) and promotion (including publicity programmes).
- Advice on licensing of drivers, commercial transport and rail operations, vehicle safety inspection agents, and other provisions enabling entry to the land transport sector, including the recommendation of changes to legislation, regulations and rules.
- Advice on safety audit and compliance issues for drivers, commercial transport operations, driver testing, vehicle standards, and road and rail safety.
- Draft and direct responses to ministerial correspondence and draft responses to Parliamentary Questions.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of Key Government Goals.

Advice on safety information and promotion

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
1. Strategic analysis and overview. The key objective of this programme is the identification of the world's best practice in road safety, and the acquisition of further knowledge and expertise to improve the quality of advice, research and analyses for key LTSA programmes.	4	4	0	0%
2. Strategic issues and direction				
2.1 The key objective of this programme is the development and refinement of the safety management framework of the LTSA, particularly to ensure alignment with the corporate governance framework applying to the LTSA as a Crown entity. The re-development and updating of the LTSA's Strategic Plan are part of this programme.	4	4	0	0%
2.2 Follow-up arising from government decisions on rehabilitation of repeat and serious offenders. This is an inter-agency project approved by government in August 1998, designed to assess whether the existing regime effectively targets those offenders who would benefit from rehabilitation, whether existing programmes are effective, and what improvements can be made.	4	4	0	0%

Quantity indicators	Target	Actual
3. Safety Directions Development Programme (Target-setting contract) The Safety Directions Development Programme provides the essential analytical support for the development, maintenance and further improvement of New Zealand's strategic road safety framework. There are five components to the programme: data sources, target setting, budget setting, budget allocation and performance monitoring.		

Quantity indicators	Target	Actual
As well as supporting the promulgation of the Road Safety Strategy 2010, three major projects will be delivered within the Safety Directions Development Programme:		
3.1 Target setting		
Final and intermediate outcome targets for final 2010 strategy document prepared, including an annualised breakdown of targets.	Targets prepared August 2001.	Targets prepared in May 2002, due to government delay.
3.2 Budget allocation		
Review current safety resource allocation model (as sought in the 2000 S(A)P Baseline Review), and report on core analytical framework to be applied to 2003/2004 S(A)P.	Core analytical framework reported June 2002.	Completed on time
3.3 Performance monitoring		
Review and report on progress made by Police in applying control charts (performance-monitoring tools).	Report March 2002.	Completed on time
4. Background Research and Strategy Programme (Target-setting contract) Strategic analysis and directions		
The identification of the world's best practice in road safety and acquisition of further knowledge and expertise to improve the quality of advice, research and analyses for key LTSA programmes. Continued development and refinement of the safety management framework for the LTSA and its land transport safety partners. This work includes completing the Road Safety Strategy 2010 document. Work will begin on setting rail safety targets. This will comprise an initial report outlining a path towards the development of robust rail safety targets, and a proposed safety target structure. A subsequent report will build on the benchmarking information available and propose an initial set of rail safety targets.	2010 strategy document promulgated December 2001.	Documentation will not now be promulgated until new financial year
	Report on development of rail safety targets, and target structure by December 2001.	Continued work on government road safety decisions have delayed rail safety work.
	Prepare and report on initial set of rail safety targets by April 2002.	Report with proposed targets to be forwarded to new Minister prior to release in September

Quantity indicators	Target	Actual
<p>4.1 Measurement of road user behaviours and attitudes</p> <p>Analysis, research and core monitoring of crash-related trends and attitudes and behaviour surveys undertaken by the LTSA. The ongoing survey preparation, management and evaluation programme includes:</p> <p>restraints (front adult, rear adult, child safety belts and helmet)</p> <p>alcohol (breath alcohol data collection)</p> <p>speed (winter and summer)</p> <p>public attitudes.</p>	<p>Surveys completed:</p> <p>May 2002</p> <p>June 2002</p> <p>February 2002</p> <p>June 2002</p>	<p>Completed on time</p>
<p>4.2 NRSC and NRSAG servicing</p> <p>Strategic policy monitoring and development, Ministerial briefings, and secretarial services provided for a number of formal interdepartmental committees. These include:</p> <p>National Road Safety Committee (NRSC)</p> <p>National Road Safety Working Group (NRSWG)</p> <p>National Road Safety Advisory Group (NRSAG).</p>	<p>Meetings held:</p> <p>quarterly</p> <p>monthly</p> <p>quarterly</p>	<p>Completed on schedule, with exception of NRSAG due to government delays</p>
<p>4.3 S(A)P development</p> <p>Continued strategic development and management of the New Zealand Road Safety Programme (NZRSP). Key work associated with this includes:</p> <ul style="list-style-type: none"> • strategic direction and management of the NZRSP, including follow up on previous review recommendations and development of new initiatives • support for LTSA, MoT and Police Management Review Group 	<p>Statutory deadlines for NZRSP met.</p>	<p>Completed on time</p>

Quantity indicators	Target	Actual
<ul style="list-style-type: none"> ongoing management of Community Road Safety Programme monitoring, reporting and auditing requirements for NZRSP. 		
4.4 Economic evaluation safety outcomes		
The Strategy Division is responsible for the management and co-ordination of the periodic external evaluation of road safety programmes including strategic enforcement and advertising. Work will include consideration of any peer reviews (such as qualitative and management report prepared by Hayes and Vulcan in 2000/2001), and report on year four of the Supplementary Road Safety Package (SRSP).	Year four SRSP report completed December 2001.	Completed on time
4.5 Process review		
Review of the development of the Road Safety Strategy 2010.	Process reviewed March 2002.	Not undertaken due to government delays.

Quality indicators	Target	Actual
Policy advice will conform to the quality characteristics set out in the Cabinet guidelines for purchasing policy advice.	100%	100%
The Minister rates the quality of policy advice each quarter as: ¹	Good or excellent	Awaiting rating
Timeliness indicators	Target	Actual
Specified reporting deadlines met:	100%	100%
The Minister rates the timeliness of policy advice each quarter as: ¹	Good or excellent	Awaiting rating

Management commentary

¹ Awaiting rating from Minister.

Advice on land transport licensing

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
1. Evaluation of driver licensing policy changes				
Evaluation of the impact of driver licensing changes under the Land Transport Act 1998 and Driver Licensing Rule 1999 by using crash statistics, driver licensing and testing statistics, formal surveys and other information. This will assist in advising on policy changes.				
(i) Four quarterly Summary Reports. ¹	4	4	0	0%
(ii) Two reports on formal DL surveys. ²	2	1	(1)	(50%)

Quality indicators	Target	Actual
Quarterly reports will include summaries of crash statistics, driver licensing and testing statistics, survey results, external research findings, operational feedback and overseas experience.	100%	100%
The Minister rates the quality of policy advice each quarter as: ³	Good or excellent	Awaiting rating

Timeliness indicators	Target	Actual
Quarterly Summary Reports will be submitted within four weeks of the end of each quarter.	100%	100%
The Minister rates the timeliness of policy advice each quarter as: ³	Good or excellent	Awaiting rating

Management commentary

- 1 Fourth quarterly report submitted at end of July 2002.
- 2 Second survey delayed due to discussions with MoT on content of questions; interim results included in fourth quarterly report.
- 3 Awaiting rating from Minister.

Quantity indicators	Target	Actual	Variance +/(-) %	Variance +/(-) %
2. Review of land transport policy				
2.1 Review of operator licensing				
The key objective of the operator licensing review is to ensure that operator licensing targets the most at-risk operators through an effective combination of entry controls, in-service standards, penalties, and exit provisions.				
Development of legislative changes arising from both reviews, including advice to government, input into drafting instructions, assistance to Select Committee consideration of such changes.	4	4	0	0%
2.2 Review of driving hours and logbooks				
The key objective of the driving hours/ logbooks review is to assess how fatigue can best be managed, including prescriptive requirements that are simple and well targeted, more flexible alternative programmes, and penalties which reflect both seriousness and intent.				

Quality indicators	Target	Actual
Policy advice will conform to the quality characteristics set out in the Cabinet guidelines for purchasing policy advice.	100%	100%
The Minister rates the quality of policy advice each quarter as: ²	Good or excellent	Awaiting rating
Timeliness indicators	Target	Actual
Will depend on timing of government decisions, expected to be made by 30 June 2001. ¹	100%	100%
The Minister rates the timeliness of policy advice each quarter as: ²	Good or excellent	Awaiting rating

Management commentary

1 It was agreed that the LTSA would deliver a draft Cabinet paper to the MoT in August 2001.

2 Awaiting rating from Minister.

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
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3. Review of driver licence standards

3.1 Joint LTSA-AustRoads older driver model re-licensing project

This project will assess the feasibility of introducing a system of community referrals and screening of potentially unsafe older drivers.

Report to Minister on pilot of screening instruments and assessment of referral process by 28 February 2002.	1	1	0	0%
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Quality indicators	Target	Actual
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Policy advice will conform to the quality characteristics set out in the Cabinet guidelines for purchasing policy advice.

100%	100%
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The Minister rates the quality of policy advice each quarter as:¹

Good or excellent	Awaiting rating
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Timeliness indicators	Target	Actual
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The Minister rates the timeliness of policy advice each quarter as:¹

Good or excellent	Awaiting rating
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Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
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4. Review of driver licence tests

4.1 Continuation of feasibility of computerised theory tests (CTT)

Including issues associated with test format, information technology, delivery and costs.

Feasibility report on CTT by 31 October 2001 (in line with 2002/2003 budget cycle).²

1	0	N/A	N/A
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4.2 Feasibility of competency based assessment (CBA) for novice motorcycle riders

1	1	0	0%
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Management commentary

1 Awaiting rating from Minister.

2 The deadline agreed with the MoT for completion of this project has been changed to 31 October 2002.

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
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Assessing the effectiveness of a system where novice motorcyclists are assessed on a series of competencies rather than on a one-off test.

Feasibility report on CBA by 30 June 2002.

Quality indicators	Target	Actual
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Policy advice will conform to the quality characteristics set out in the Cabinet guidelines for purchasing policy advice.

100%

100%

The Minister rates the quality of policy advice each quarter as:¹

Good or excellent

Awaiting rating

Timeliness indicators	Target	Actual
-----------------------	--------	--------

The Minister rates the timeliness of policy advice each quarter as:¹

Good or excellent

Awaiting rating

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
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5. Rail safety policy

5.1 Initial assessment of international safety benchmarking indicators

Initial benchmarking analysis completed by December 2001.

1

1

0

0%

5.2 Review of rail audit regime.

Review document completed by December 2001.²

1

N/A

N/A

N/A

5.3 Review of rail fee regime.

Review document completed by December 2001.²

1

N/A

N/A

N/A

Management commentary

1 Awaiting rating from Minister.

2 Work on the reviews of the rail audit and the rail fee regimes was incorporated into the Ministry of Transport's review of rail safety with a view to introducing a new Rail Bill during 2002/2003. Changes to the fee regime were delayed by the early general election.

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
6. Road environment safety policy.				
The development of legislation, rules, standards and guidelines to encourage road providers to build and manage their roads using best practice at reasonable cost. Key work areas relate to:				
6.1 Road policy development	4	4	0	0%
6.2 Traffic control devices (provision and use)	4	4	0	0%
6.3 Heavy motor vehicle policy (mass and dimensions)	4	4	0	0%
6.4 Policy relating to the carriage of dangerous goods	4	4	0	0%
6.5 Safety management systems	4	4	0	0%
6.6 Speed management	4	4	0	0%
6.7 Policy advice on standards and guidelines	4	4	0	0%
7. Vehicle safety policy.				
7.1 International Vehicle Standards Harmonisation Project	4	4	0	0%
The implementation of Trans-Tasman Mutual Recognition Arrangement (TTMRA), United Nations/Economic Commission for Europe (UN/ECE) and APEC initiatives relating to vehicle standards.				
7.2 Development and review of vehicle safety policy and legislation	4	4	0	0%
Analysis of issues raised in formal and informal consultation with groups representing industry and consumers, and the general public.				
7.3 Policy development on vehicle safety issues	4	4	0	0%
Issues arising from technological change, crash analysis and compliance audit.				

Quantity indicators	Target	Actual	Variance +/(-) %	Variance +/(-) %
7.4 Codes, standards and inspection guides Development, implementation and amendment in consultation with industry. Programme to be agreed with Vehicle Standards Committee.	4	4	0	0%
7.5 New Zealand standards and joint New Zealand/Australian vehicle standards Policy work on, and technical input to, standards to ensure new and revised vehicle standards are consistent with Government policy.	4	4	0	0%

Quality indicators	Target	Actual
Policy advice will conform to the quality characteristics set out in the Cabinet guidelines for purchasing policy advice.	100%	100%
The Minister rates the quality of policy advice each quarter as: ¹	Good or excellent	Awaiting rating
Timeliness indicators	Target	Actual
Specified reporting deadlines met:	100%	100%
The Minister rates the timeliness of policy advice each quarter as: ¹	Good or excellent	Awaiting rating

Management commentary

¹ Awaiting rating from Minister.

Rules development work programme

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
8. Rule development services (Crown and the Safety Standards Levy funded)				
Rule development that is funded by the Crown and the Safety Standards Levy (SSL) and is managed under the LTSA's Performance Agreement and also under a separate purchase agreement with the Secretary for Transport.				
1. Frontal Impact Amendment No. 2	1	1	0	0%
2. Heavy-vehicle Brakes	1	1	0	0%
3. Heavy Motor Vehicles	1	1	0	0%
4. Light-vehicle Brakes	1	1	0	0%
5. Seats and Seat Anchorage	1	1	0	0%
6. Seatbelts and Seatbelt Anchorage	1	1	0	0%
7. Side Impact	1	1	0	0%
8. Tyres and Wheels	1	1	0	0%
9. Vehicle Efficiency Standard ¹	1	N/A	N/A	N/A
10. Vehicle Emissions	1	1	0	0%
11. Vehicle Equipment	1	1	0	0%
12. Vehicle Lighting	1	1	0	0%
13. Vehicle Compliance Amendment	1	1	0	0%
14. Vehicle Standards (revisions to five rules)	1	1	0	0%
9. Rule development services (Crown funded)				
Rule development that is Crown funded and managed with the rules listed above under a separate purchase agreement with the Secretary for Transport.				
1. Dangerous Goods Amendment	1	1	0	0%
2. Driving Hours and Logbooks ¹	1	N/A	N/A	N/A
3. Driver Licensing Amendment	1	1	0	0%
4. Operator Licensing ¹	1	N/A	N/A	N/A
5. Road User	1	1	0	0%
6. Safer Road Infrastructure ²	1	N/A	N/A	N/A
7. Setting of Speed Limits	1	1	0	0%
8. Traffic Control Devices	1	1	0	0%
9. Vehicle Dimensions and Mass	1	1	0	0%

Management commentary

¹ These rules were removed from the rule development programme by the MoT.

² This rule is not proceeding at this stage.

Quality indicators	Target	Actual
Rules meet quality criteria included in the Rules Development Services contract.	100%	100%
The rule-making process will be consultative as measured by records of consultation and submissions received.	Statutory and common law obligations complied with.	Achieved
A post-project review of each rule will be conducted within one month of completion.	100%	Achieved
Number of rules referred back to Authority by the Parliamentary Regulations Review Committee to address major issues. ¹	None	Nnne
Timeliness indicators	Target	Actual
Specified reporting deadlines met:	80%	100%
The Minister rates the timeliness of draft Rules as: ²	Good or better	Awaiting rating

Advice on land transport safety auditing

Quantity indicators	Target	Actual	Variance +/-	Variance +/- (%)
Pilot of Alternative Compliance Fatigue Management Programme (FMP)				
Pilot of FMP as an alternative to prescriptive driving hour requirements, using volunteer participants, and assessing the effectiveness and practicability of such a programme in managing driver fatigue.				
(i) Preliminary report	1	1	0	0%
(ii) Final report ³	1	0	(1)	(100%)

Management commentary

1 The Regulations Review Committee received submissions on the Frontal Impact Rule but the rule was not referred back to the LTSA.

2 Awaiting rating from Minister.

3 An update report was submitted to the Minister and the final report will now be submitted by 30 June 2003.

Quality indicators	Target	Actual
Policy advice will conform to the quality characteristics set out in the Cabinet guidelines for purchasing policy advice.	100%	100%
Timeliness indicators	Target	Actual
(i) Preliminary report	By 30 April 2002	Achieved
(ii) Final report	By 30 June 2002	Achieved

Ministerial servicing

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
Draft responses to Ministerial correspondence.	400–600	506	0	0%
Direct responses to Ministerial correspondence.	200–400	284	0	0%
Draft responses to Parliamentary Questions.	90–120	87	(3)	(3%)

Quality indicators	Target	Actual
Draft responses to Ministerial correspondence and to Parliamentary Questions accepted by the Minister.	Minimum of 95%	99%
Timeliness indicators	Target	Actual
Draft responses to Ministerial correspondence (other than Parliamentary Questions) sent:		
• within 12 working days	80%	88%
• within 20 working days.	100%	100%
Direct responses to Ministerial correspondence sent:		
• within 12 working days	80%	91%
• within 30 working days.	100%	100%
Draft responses to Parliamentary Questions are responded to within timeframes specified by the Minister's Office/the Ministry of Transport.	100%	100%

Financial performance for policy advice

Outputs in this class were provided at a cost of \$5.949 million (GST exclusive), funded by Crown revenue of \$0.548 million, MoT contract revenue of \$1.166 million, Crown S(A)P revenue of \$2.253 million and revenue from third parties of \$2.302 million.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance + / (-)%
Revenue source: Crown	548	548	0	0%
MoT contract	1,166	1,166	0	0%
Crown S(A)P	2,253	2,253	0	0%
Third party	2,261	2,302	41	2%
Total revenue	6,228	6,269	41	1%
Expenditure	5,823	5,949	(126)	(2%)
Surplus (deficit)	405	320	(85)	(21%)

Output Class: Safety Information and Promotion

Under this output class the Minister of Transport purchases land transport safety information and promotion:

- Development and provision of information, publications, displays, and education resources on land transport safety matters.
- Conducting publicity campaigns on priority land transport safety issues, including national and regional activity supporting the campaigns, and the promotion of road safety activities of key partners, including the New Zealand Police.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of Key Government Goals.

Safety information

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
1. Safety information publications				
1.1 New Zealand Road Safety Programme (NZRSP)—final programme.	1	1	0	0%
1.2 74 Annual Local Authority Road Safety Reports—annual by 31 August 2001.	74	105	31	42%
1.3 Motor Accidents in New Zealand: Statistical Statement Calendar Year 2000—annual by 31 October 2001.	1	1	0	0%
1.4 Road Safety New Zealand Magazine.	11	11	0	0%
1.5 Road Safety Progress—a quarterly update of performance measures.	4	4	0	0%
1.6 Updates of Vehicle Inspection Guides as required.	On demand	2	N/A	N/A
1.7 Ongoing development and revision of general road safety publications (excluding vehicle safety) of interest and relevance to the public and key stakeholders. Includes fact sheets, information brochures, displays and other support material.	10	59	49	490%

Quality indicators	Target	Actual
Main users responding to an annual survey rate the publications as useful or better:	75%	83%

Timeliness indicators	Target	Actual
Safety information publications listed in work programme published by date required.	100%	100%
Written requests for safety information publications are met within 10 working days of receipt.	100%	100%

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
2. Road Safety Education Programme				
2.1 Co-ordinate and manage a programme for road safety education in primary and intermediate schools, based on essential skills learning, including development of resources and provider training.				
One primary school education programme ready for implementation by beginning of the 2002 school year.	1	1	0	0%
2.2 Facilitate, with key partners, the development and sharing of ethnically-specific curriculum resources for use with pre-school and primary school children.				
One new ethnically specific resource distributed nationally.	1	1	0	0%
2.3 Maintain and upgrade the specifications and resources for the ongoing training and education of drivers within the transport industry and wider sector.				
Two manuals and two driver training standards reviewed and updated as required.	4	4	0	0%

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
2.4 Provide liaison, advice and training services for road safety education providers, community groups and industry groups who are not funded through the S(A)P.				
Twelve liaison or advisory/service events provided. (i.e. conference presentations, training presentations, advisory services, seminars, road safety forums, exhibitions, displays, etc).	12	15	3	25%
2.5 Develop, revise and publish manuals for instructors, road codes, certificates and other information resources as necessary.				
Three road codes reviewed and updated as required.	3	3	0	0%

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
2.6 Organise National Road Safety Co-ordinators Conference. Once annually by 30 June 2002.	1	1	0	0%

Quality indicators	Target	Actual
Education resources are concept/copy tested with target groups for relevance and usefulness and effectiveness prior to production.	100%	100%
Advice provided is legally accurate and based on best practice models where available.	100%	100%
Codes and manuals are legally accurate and based on best practice models where available.	100%	100%

Timeliness indicators	Target	Actual		
Work completed by June 2002	100%	100%		
3. Road environment safety advice. Advice and information to road providers, the roading industry and the public on new and existing rules, standards and guidelines. Dependent on Minister's signing of rules.	4	4	0	0%

Quality indicators	Target	Actual
Information is legally accurate.	100%	100%

Timeliness indicators	Target	Actual
Information published/promoted to coincide with release of new rules and guidelines.	100%	100%

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
4. Vehicle safety publications Publications and promotional initiatives to provide advice and information about motor vehicle safety to contractors, operators, owners and users of motor vehicles on roads.				

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
Minimum of two fact sheets and two general publications on vehicle safety updated or developed.	4	4	0	0%

Quality indicators	Target	Actual
Information is legally accurate and consultation carried out with key partners on information where appropriate.	100%	100%

Timeliness indicators	Target	Actual
Material produced in time to meet promotional deadlines.	100%	100%

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
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5. Vehicle safety promotion

5.1 Provision of information to consumers on vehicle safety, including ANCAP results and crashworthiness.

Complete pilot study of New Zealand real crash data by April 2002 and publish results by August 2002.	1	1	0	0%
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5.2 Promotional activity to support LTSA's membership of the ANCAP crash test programme and to promote the ANCAP website material.

Minimum of two advertising initiatives per year to raise the profile of ANCAP among new car buyers.	2	5	3	150%
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Quality indicators	Target	Actual
Material produced is legally accurate and is targeted at media to reach new/near new car buyers.	100%	100%

Timeliness indicators	Target	Actual
All new-vehicle crashworthiness ratings published and promoted within one week of their publication in Australia.	100%	100%
Delivery of advertising material to media by agreed dates in media schedules.	100%	100%

Safety promotion

Quantity indicators	Target number of flights	Actual	Variance +/-	Variance +/- (%)
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Road safety advertising package

The provision of ongoing campaigns in support of Police enforcement, to be targeted at all drivers, with a specific focus on identified risk groups, in the areas of:

1. Alcohol	7	7	0	0%
2. Speed	9	9	0	0%
3. Safety belts (two national and two regional flights)	4	4	0	0%
4. Driver education (monthly)	12	12	0	0%
Average number of targeted audience rating points to be purchased per month.	800	966	166	21%

Quality indicators	Target	Actual
Total unprompted recall by the target audience of the television commercials, tested quarterly and averaged over 12 months.	70%	81% ¹
Relevance measures for the target audience, tested quarterly and averaged over 12 months.	70%	66%

Timeliness indicators	Target	Actual
Timing of campaigns co-ordinated to support Police road safety enforcement activity and to consider other campaigns by key road safety agencies.	100%	100%

Management commentary

¹ A target of 70 percent is considered a reasonable minimum performance. The achievement of 81 percent is a measure of the relative success of the advertising programme.

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
5. Community-based advertising in support of community projects funding to support the community production and placement of advertising to reinforce messages delivered through community road safety projects.				
Minimum of 40 community groups given advertising support funding.	40	58	18	45%

Quality indicators	Target	Actual
Advertising is produced to support local projects as measured by a random 10% sample check of advertising material.	100%	100%

Timeliness indicators	Target	Actual
Advertising runs at the time of the local community project, as measured by a random 10% check of advertising schedules.	100%	100%

Quantity indicators	Target	Actual	Variance +/(-)	Variance +/(-)%
6. Maori and Pacific community groups national advertising				
Production of advertising material aimed to target road safety "hot spots", developed for and tested with key target groups and using appropriate media channels for these groups.				
Three "hot spot" community campaigns supported with advertising material produced nationally.	3	3	0	0%

Quality indicators	Target	Actual
Six monthly tracking measure shows positive increase in awareness of campaign activity	100%	100%

Timeliness indicators	Target	Actual
Delivery of advertising material to media by agreed dates in media schedules.	100%	100%

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
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7. General road safety promotion

Provision of safety information to researchers, policy makers and members of the public. Quality control, peer review and co-ordination of road safety research.	4	4	0	0%
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Timeliness indicators	Target	Actual
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Activities delivered by the time required.	100%	100%
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Financial performance for safety information and promotion

Outputs in this class were provided at a cost of \$20.706 million (GST exclusive), funded by Crown S(A)P revenue of \$19.706 million and revenue from third parties of \$2.192 million.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance \$(000)
Revenue source: Crown S(A)P	19,706	19,706	0	0%
Third party	2,070	2,192	122	6%
Total revenue	21,776	21,898	122	1%
Expenditure	20,783	20,706	77	0%
Surplus (deficit)	993	1,192¹	199	20%

Output Class: Grants Management

Under this output class the Minister of Transport purchases grants management services for community road safety projects:

Management commentary

¹ The surplus in the Safety Information and Promotion area reflects lower than forecast expenditure in the advertising and communications areas. All scheduled work was completed.

- Assistance and advice given to local authorities, Road Safety Co-ordinators, Iwi, Maori and Pacific peoples, and community groups undertaking road safety projects and payment of grants to support those projects.

In addition, the Road Safety Trust purchases grants management services:

- Administrative support services provided to and payment of grants approved by, the Road Safety Trust.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of Key Government Goals.

Community road safety projects

Quantity indicators	Target	Actual	Variance +/-(-)	Variance +/-(-)%
Community road safety projects. Number of projects that come under contract are in range:	450-500	463	0	0%

Quality indicators	Target	Actual
Grants made are accurate (right amount to right person or entity, and the grant is used for the agreed purpose) as measured by a random 10% sample check. ¹	100%	100%
Final evaluations reports received. ¹	100%	100%

Management commentary

¹ Sample check completed and evaluation reports received for 2000/2001 year.

Timeliness indicators	Target	Actual
Approved expenditure paid on invoice to recipients, as per schedules in agreements with service providers, within 20 working days of receipt.	100%	100%

Road Safety Trust grants management

Quantity indicators	Target	Actual	Variance +/-(-)%	Variance +/-(-)%
Road Safety Trust administration Number of projects funded in range:	35-50	45 ¹	0	0%

Quality indicators	Target	Actual
Grants made are accurate (right amount to right person or entity, and the grant is used for the agreed purpose) as measured by a random 10% sample check.	100%	100%

Timeliness indicators	Target	Actual
Comment on grants applications are provided to the Trust within 20 working days of request.	100%	100%
Approved expenditure is paid on invoice to recipients within 20 working days of receipt.	100%	100%

Financial performance for grants management

Outputs in this class were provided at a cost of \$6.956 million (GST exclusive), funded by Crown S(A)P revenue of \$6.334 million and revenue from third parties of \$0.318 million.

Management commentary

¹ Applications for grants from the Road Safety Trust are demand driven and the number given depends on the number of applications made and the cost of individual projects.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance +/(-)%
Revenue source: Crown S(A)P	6,334	6,334	0	0%
Third party	194	318	124	64%
Total revenue	6,528	6,652	124	2%
Expenditure	6,428	6,956	(528)¹	(8%)
Surplus (deficit)	100	(304)	(404)	(404%)

Output Class: Safety Audit

Under this output class the Minister of Transport purchases services relating to auditing:

- Auditing of vehicle standards and design (including heavy motor vehicles), and vehicle fleet audits.
- Auditing of agents who approve and audit vehicle inspection agents (approved warrant of fitness and approved vehicle inspectors).
- Auditing of transport service delivery agents.
- Auditing of rail safety systems audits.
- Auditing of transport service operations, driver licensing administration agents and driver testing agents.
- Auditing agencies involved in the border check process to monitor compliance with standards and guidelines.
- Crash investigation and monitoring.
- Auditing of road controlling authorities to monitor compliance with road and traffic standards and guidelines.
- Legal action to enforce legislation.

Management commentary

¹ Expenditure exceeded budget by \$528,000 and this was due to increased levels of Grants approved, plus additional time and on-costs incurred in the management of grants, and the review of the Community Road Safety Programme. The additional expenditure was funded by surplus funds from the Information and Promotion output class.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of the Key Government Goals.

Land transport safety auditing

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
Auditing of LTSA agents and approved certifiers				
Monitoring and auditing is carried out to ensure compliance with legal requirements and conditions of appointment.				
1. Vehicle certifiers and vehicle certification centres.	1,635	1,743 ¹	0	0%
Certifiers are appointed by the Director of Land Transport Safety to assess vehicles and certify whether they comply with applicable requirements. Certification is required when a vehicle enters New Zealand as well as at periodic intervals during its on road life. Certification may also be required if the vehicle is modified, if its use is changed.	-1,865 audits			
2. Audits of agencies involved in the border check process—monitoring of compliance with standards and guidelines	4	4	0	0%
3. Audit of testing services (number of audits)	60–80	99	19	24%
4. Audit of driver licensing activities				
4.1 Driver licence course providers (number of audits)	30–40	44	4	10%
4.2 Driver licence administration activities (number of audits)	30	30	0	0%

Management commentary

¹ Total made up of reviews and audits completed by the Vehicle Certification Unit, LTSA regional offices and Motorsafe.

Quality indicators	Target	Actual
The Director of Land Transport Safety attested in writing that audits fully comply with the appropriate procedures manuals and "assessed" risk profiles.	100%	100%

Timeliness indicators	Target	Actual
Findings of vehicle fleet audits and audits are reported back to the management of the organisation concerned within 25 working days of completion of the audit.	100%	100%

Quantity indicators	Target	Actual	Variance +/-	Variance +/-
			(-)	(-)%

Auditing of transport service operations

Description

The monitoring and auditing of transport service operations to ensure that:

- persons in control of a transport service operation, and drivers of vehicles used in a transport service, meet and maintain the required "fit and proper person" standards
- that vehicles operated under a transport service are certified correctly as complying with all the legal standards and requirements.

5. Fleet audits of vehicles—fleet audit in depots ¹	40-50	62	12	24%
6. Monitoring and review of transport service operations				
6.1 Monitoring and reviewing transport service operations reviews. ¹	100-120	149	29	24%
6.2 Better targeting of compliance to key safety issues—roadside audits of vehicles. ¹	20-40	63	23	58%

Management commentary

¹ The creation of the Vehicle Certification Unit released regional office resources which were then directed at more effort on random roadside audits and fleet audits. It also enabled increased assistance to Police operations and targeting of resources to roadside audits in particular areas (e.g. Northland.)

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
6.3 Investigating complaints.	On demand	234	N/A	N/A
6.4 Revocation, suspensions and disqualification of approvals and licences.	On demand	203	N/A	N/A

Quality indicators	Target	Actual
The Director of Land Transport Safety will attest in writing that audits fully comply with the relevant audit procedures manuals and agreed risk profiles.	100%	100%
No appeals on points of law or procedural matters sustained regarding the Authority's decisions to revoke transport services licences, including revocation of the approval of organisations to operate as "approved taxi organisations"; or suspend, disqualify or revoke passenger and vehicle recovery driver licence endorsements.	None	None

Timeliness indicators	Target	Actual
Investigations of complaints against transport service operators and/or drivers are commenced within five working days of receipt of notification.	100%	100%
Findings of audits of transport service operations are discussed with the management of the organisation concerned within 35 working days of completion of the audit.	100%	100%

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
7. Vehicle crash investigation—where mechanical defect is a factor in vehicle accident.	50–70	92	22	31%
8. Joint crash investigation.				
8.1 Participate in crash reduction studies with road controlling authorities to recommend remedial treatments.	15–21	34	13	62%

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
8.2 Production of crash investigation study intervention effects reports.	On demand	1	N/A	N/A

Quality indicators	Target	Actual
8.1 To be undertaken in accordance with Transit New Zealand/Ministry of Transport Accident Procedures, January 1991.	100%	100%

Timeliness indicators	Target	Actual
Investigations of vehicle crashes are commenced within 24 hours of receipt of notification, where there is indication that the cause was a mechanical factor.	100%	100%
Delivery of work programme of crash reduction studies to be completed by June 2002, in consultation with road controlling authorities. ¹	100%	100%

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
9. Audit programme of road controlling authorities (RCAs) to monitor compliance with safety standards and guidelines. ²	60	109	49	82%

Quality indicators	Target	Actual
The Director of Land Transport Safety will attest in writing that audits fully comply with the relevant audit procedures.	100%	100%

Timeliness indicators	Target	Actual
National findings of audit programme of RCAs is sent to the management of the RCAs within six months of the completion of the audit programme and are discussed at regional LTSA traffic management liaison meetings.	100%	100%

Management commentary

¹ There was a high level of demand from road controlling authorities for crash reduction studies. The increased level of work was carried out within existing resources. A report was completed on the installation of guard rails. Work was also carried out on the installation and improvement of edge lines and on an overall assessment of the monitoring of crash reduction studies.

² Surveys were carried out on two topics: 30 RCAs were surveyed on school crossing facilities and all 79 RCAs were surveyed on their data collection activities.

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
10 Rail safety audit				
10.1 Monitoring of operators' annual audits and follow up compliance action on a case by case basis.	72–96	85	0	0%
10.2 Carry out special focus audits as required from time to time.	On demand	0	N/A	N/A
10.3 Reporting quarterly on actions arising from TAIC railway recommendations to all parties (on demand).	4	4	0	0%

Quality indicators	Target	Actual
10.1 In compliance with LTSA guidelines and Ten-Point Audit Plan.	100%	100%

Timeliness indicators	Target	Actual
10.1 Operators will be notified in writing of the appraisal of their compliance with their safety systems within 10 working days of the receipt of the completed audit documentation.	100%	100%

Financial performance for safety audit

Outputs in this class were provided at a cost of \$11.076 million (GST exclusive), funded by Crown S(A)P revenue of \$0.716 million and revenue from third parties of \$11.475 million.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance +/(–)%
Revenue source: Crown S(A)P	716	716	0	0%
Third party	10,974	11,475	501	5%
Total revenue	11,690	12,191	501	4%
Expenditure¹	10,575	11,076	(501)	(5%)
Surplus (deficit)	1,115	1,115	0	0%

Management commentary

84

¹ Expenditure exceeded budget by five percent. This was due to higher than budgeted border inspection volumes and associated fees. The higher volumes increase revenue in the same proportion.

Output Class: Licensing

Under this output class third parties fund licensing services for the land transport sector, including:

Issuing driver licences

- Issuing driver licences, including the conversion to and renewal and issue of photo driver licences to drive vehicles.
- Vetting driving instructor (I), testing officer (O), passenger (P) and vehicle-recovery (V) endorsement applicants and holders and issuing driver identification cards, if applicable.
- Managing driver-training providers.
- Ongoing maintenance of the Driver Licence Register.
- Management of appeals to the Director against roadside licence suspension.

Issuing transport services licences

- Issuing of licences, approvals or certificates required for commercial transport operations (including approval of taxi organisations).
- Issuing approvals for requested rail safety system variations for network, industrial and heritage rail operations.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of the Key Government Goals.

Issuing driver licences

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
1. Issuing driver licences				
1.1 Driver licences (including new, renewed, replacement, and amended licences and endorsements).	540,000– 560,000	579,936	19,936	4%
1.2 Course approvals and course provider approvals.	1	3	2	200%
1.3 Ensure that valid alterations and new entries to the Driver Licence Register are made on demand (target eight percent monitored).	regular audits of agents entries on the register	8%	0	0%
1.4 Decisions to remove indefinite driver licence disqualification imposed by Court Order under Section 65 of the Act.	1,000– 1,3000	1,232	0	0%
1.5 Management of appeals to the Director against roadside licence suspension.	On demand	52	N/A	N/A

Quality indicators	Target	Actual
Appeals on points of law or procedural matters sustained regarding the Authority's decisions to: <ul style="list-style-type: none"> • refuse to approve "fit and proper person" status for I, O, P, and/or V endorsement holders • refuse to approve application under Section 65 of the Act to remove court-ordered indefinite driver disqualification • reject an appeal against roadside licence suspension. 	None	None
Driver Licence Registry data accurately records application data. ¹	98%	97%
Written responses to valid requests for information from the Driver Licence Registry accurately reflect Registry data. ²	100%	99%

Management commentary

1 Accuracy of data continues to be affected by keying errors such as addresses not updated and donor status keyed incorrectly. Work will continue on improving agent performance in this area.

2 A small number of errors affected the accuracy measure. These errors were corrected when the audit checks were undertaken and the customers received updated information.

Timeliness indicators	Target	Actual
1.1 Driver licences are issued within 10 working days of receipt of approved application.	100%	100%
1.1 Decisions on the "fit and proper" stage of an application for an I, O, P, and/or V endorsement are made within five working days of receipt of complete application.	100%	100%
1.2 Approvals of course and course providers are issued within 10 working days of receipt of approved applications.	100%	100%
1.4 Notification of decisions regarding applications made under Section 65 of the Act to remove court ordered indefinite driver disqualification within 10 days of receipt of complete application.	100%	100%
Valid requests for information from the Land Transport Registry responded to within 10 working days of receipt of application.	100%	100%

Issuing land transport licences

Quantity indicators	Target	Actual	Variance +/-	Variance +/- (%)
1. Issuing transport services licences.	2,500-3,000	3,447	447	15%
2. Issuing over-dimension permits.	7,500-8,000	7,392	(108)	(1%)
3. Rail operator licensing				
3.1 Annually review on-going approvals for appropriate licence categories for all operators prior to issuing fee invoices.	All by end Feb. 2002	80	0	0%
3.2 Review new licence applicant's rail safety systems for completeness and technical content; and issue licence as appropriate.	On demand	1	N/A	N/A
3.3 Issue approvals for operators' applications for safety system variations as required.	On demand	44	N/A	N/A

Quality indicators	Target	Actual
No appeals on points of law or procedural matters sustained regarding the Authority's decisions to refuse to grant applications for transport services licences.	None	None
Permits conform to requirements of over-dimension permit policy.	100%	100%
No successful appeals on points of law or procedural matters sustained in respect on the Authority's refusal to grant a variation.	None	None
Timeliness indicators	Target	Actual
Transport service licences and approvals of taxi organisations are issued within 10 working days of receipt of approved applications.	100%	100%
Ordinary permits issued within 24 hours.	100%	100%
Special permits issued within 48 hours.	100%	100%
Decisions on rail safety variations to be issued within 10 working days of receipt of operator's application. ¹	100%	95%

Financial performance for licensing

Outputs in this class were provided at a cost of \$23.72 million (GST exclusive), part funded by Crown revenue \$1.445 million plus revenue from third parties of \$22.171 million.

Management commentary

¹ The enhanced role demanded from rail safety during the year increased pressure on limited resources at times and led to some delays in issuing variations.

	Target	Actual	Variance + / (-)	Variance + / (-)%
Memorandum account as at 1 July 2001	-2,910	-2,910	0	0%
Crown	1,445	1,445	0	0%
Third party	21,897	22,171	274	1%
Total revenue	23,342	23,616	274	1%
Expenditure	24,163	23,720	443	2%
Surplus (deficit)	(821)	(104)	717	87%
Memorandum account balance	(3,731)	(3,014)	717	19%

Output Class: Driver Testing

Under this output class third parties fund driver testing services for the land transport sector, including:

- Driver testing services, including services related to database management and the payment, management, and audit and monitoring of agents.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of the Key Government Goals.

Driver testing

Quantity indicators	Target	Actual	Variance + / (-)	Variance + / (-)%
Driver tests.	280,000–290,000	350,705 ¹	60,705	21%

Management commentary

¹ The total number of tests is the total number for which fees were received plus the total of free second tests provided to older drivers from 1 January 2002.

Quality indicators	Target	Actual
In compliance with the guidelines set out in the contracts between each driver testing agent and the Authority. ¹	100%	99%

Timeliness indicators	Target	Actual
Within agreed guidelines in the contracts between each driver testing agent and the Authority. ¹	100%	97%

Financial performance for driver testing

Outputs in this class were provided at a cost of \$13.194 million (GST exclusive), funded by revenue from third parties of \$13.673 million.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance + / (-)%
Memorandum account as at 1 July 2001	(1,459)	(1,459)	0	0%
Revenue				
Third party	12,874	13,673	799	6%
Total revenue	12,874	13,673	799	6%
Expenditure	13,095	13,194	(99)	(1%)
Surplus (deficit)	(221)	479	700	317%
Memorandum account balance	(1,680)	(980)	700	42%

Output Class: Assessments

Under this output class the Crown gives an appropriation to the Authority that is used to pay drug and alcohol assessment fees as required under Section 65 of the Act.

- Pay assessment centre fees using the Crown appropriation.

Management commentary

¹ The level of demand for tests led to some being outside the 14-day period.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and enhanced economic, social and environmental well being.

Assessments

Quantity indicators	Target	Actual	Variance +/-	Variance +/- (%)
Drug and alcohol assessments				
The number of drug and alcohol assessments for which payments have been made (demand driven).	1,400 payments budgeted	1,164	(236)	(17%)
Quality indicators	Target	Actual		
Minimum percent of payments that are accurate.	100%	100%		
Timeliness indicators	Target	Actual		
Minimum percent of payments processed within 10 working days.	100%	100%		

Financial performance for assessments

Outputs in this class were provided at a cost of \$0.168 million (GST exclusive), funded by the Crown of \$0.187 million.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance +/- (%)
Memorandum account as at 1 July 2001	48	48	0	0%
Revenue				
Crown	187	187	0	0%
Total revenue	187	187	0	0%
Expenditure	187	168	19	10%
Surplus (deficit)	0	19	19	100%
Memorandum account balance	48	67	19	40%

Output Class: Vehicle Impoundment: Land Transport

Under this output class the Crown gives an appropriation to the Authority to pay fees to storage providers for each unclaimed vehicle impounded by the New Zealand Police under the Land Transport Act 1998 and which requires disposal.

- Fees paid to storage providers for unclaimed vehicles.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and the achievement of the Key Government Goals.

Vehicle impoundment

Quantity indicators	Target	Actual	Variance + / (-)	Variance + / (-)%
Payments to storage providers.				
Fees paid to storage providers for unclaimed impounded vehicles (demand driven).	4,800–5,000 payments budgeted	3,473	(1,327)	(28%)

Quality indicators	Target	Actual
Minimum percentage of payments that are accurate.	100%	100%

Timeliness indicators	Target	Actual
Minimum percentage of payments processed within 10 working days. ¹	100%	97%

Management commentary

¹ Some payments took longer to process because of the need to obtain further information.

Financial performance for vehicle impoundment

Outputs in this class were provided at a cost of \$0.317 million (GST exclusive), funded by the Crown of \$0.444 million.

	Budget \$(000)	Actual \$(000)	Variance \$(000)	Variance +/(-)%
Memorandum account at 1 July 2001	128	128	0	0%
Revenue				
Crown	444	444	0	0%
Total revenue	444	444	0	0%
Expenditure	444	317	127	29%
Surplus (deficit)	0	127	127	100%
Memorandum account balance	128	255	127	99%

Output Class: Motor Vehicle Registry and Revenue Management

Under this output class the Minister of Transport purchases from the Ministry of Transport an administrative and accounting service for the collection and refund of motor vehicle registration and licensing fees; road user distance weight and time licences; and Fuel Excise Duty (FED) paid into the National Roads Fund. This output class is managed by the LTSA under separate contracts with the Secretary for Transport.

- Issuing road user charges (RUC) and motor vehicle registration (MVR) licences, plates and other documents. Collecting and accounting for revenues and RUC and MVR transactions. Processing and accounting for refunds of motor spirit duty, off road travel and RUC licences.
- Maintaining the RUC and MVR registers and databases, and supplying information from them.

The Authority delivers the road user charges evasion, detection and enforcement output (economic compliance functions) under a separate contract with the Secretary for Transport.

- Targeted investigation programmes to identify instances of evasion and non-payment for road user revenues. Audits of operator records to validate refund claims. Recovery of revenue evaded. Industry liaison and education to ensure continued compliance. Processing and accounting for refunds of FED, off-road travel and RUC licences.

Results sought

This output class contributes to the government's desired outcomes of a safe, sustainable transport system at reasonable cost, and enhanced economic, social and environmental well being.

Collection and refund of roading revenue

Quantity indicators	Target	Actual	Variance +/-	Variance +/-%
1. Motor vehicle new registration.	255,000	274,760	19,760	8%
2. Motor vehicle licensing.	4,100,000	4,312,954	212,954	5%
3. Motor vehicle change of ownership.	850,000	879,170	29,170	3%
4. Other licensing.	751,500	585,924	(165,576)	(22%)
5. RUC licensing.	1,700,000	1,651,479	(48,521)	(3%)

Quality indicators	Target	Actual
Percentage of MVR customers who rate the services provided as good or better, based on independent survey.	90%	90%
Percentage of vehicle licences that are issued immediately upon confirmation by the land transport inspection system of a current safety inspection.	100%	100%

Timeliness indicators	Target	Actual
Maximum issue time for all valid FED refunds.	7 working days	100%

Maintenance and supply of motor vehicle information

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
1. Number of information requests.	3,500,000	3,635,459	135,459	4%
2. Availability of LANDATA computer system.	Less than 48 hours unplanned outage per annum.	100%	0	0%
3. Accuracy of LANDATA records.	95% by random sample.	99%	N/A	4%

Quality indicators	Target	Actual
Percentage of users who rank MVR supplied data as "meeting expectations" based on independent survey.	90%	80%

Timeliness indicators	Target	Actual
Entry of MVR transactions onto database.	Within 48 hours of receipt.	100% within target

Road user charges evasion, detection and enforcement

Quantity indicators	Target	Actual	Variance +/(–)	Variance +/(–)%
1. Number of RUC investigations.	70–90	38 ¹	(32)	(46%)
2. Number of RUC audits.	3,000–4,500	4,110	0	0%
3. Number of RUC surveys.	50–60	42 ¹	(8)	(16%)
4. Number of light diesel audits.	2,500–3,000	1,728 ¹	(772)	(31%)
5. Number of RUC refund applications processed.	120,000 –130,000	136,923	6,923	5%
6. Number of FED refund applications processed.	13,000 –15,000	14,567	0	0%

Management commentary

¹ The numbers of RUC and light diesel investigations and surveys are demand driven and actual levels were lower than anticipated.

Quality indicators	Target	Actual
Review the profile of RUC evasion offenders developed in conjunction with the Police.	By 31 March 2002.	Achieved
Percentage of RUC investigations, audits and surveys that match the RUC evasion profile identified and prioritised in consultation with the New Zealand Police, Transfund New Zealand and Transit New Zealand.	100%	100%
The Director of Land Transport Safety will attest in writing each year that all audits fully comply with the relevant audit procedures.	100%	100%
Minimum level of road user charges identified for recovery for each dollar spent on RUC audits and investigations as measured by a three-yearly moving average, based on direct costs.	\$4.50	\$4.33
Timeliness indicators	Target	Actual
Timeframes in action plans met.	100%	100%

Financial performance for motor vehicle registry and revenue management

Outputs in this class were provided at a cost of \$49.211 million (GST exclusive), funded by National Roads Fund revenue of \$41.656 million and revenue from third parties of \$9.703 million.

	Target	Actual	Variance +/(–)	Variance +/(–)%
Revenue				
Third party	9,443	9,703	260	3%
National Roads Fund	41,615	41,656	41	0%
Total revenue	51,058	51,359	301	1%
Expenditure	49,176	49,211	(35) ¹	0%
Surplus (deficit)	1,882	2,148	266	14%

Management commentary

¹ The minor expenditure variance reflects transaction volumes and associated transaction costs being higher than budget. The expenditure is covered by the funding received.

Financial statements

Land Transport Safety Authority Statement of Accounting Policies

Reporting entity

The Land Transport Safety Authority (LTSA) is a Crown entity established in August 1993 in response to a growing public awareness of safety issues concerning road and land transportation. The LTSA is responsible for effectively and efficiently improving the safety of land transport at reasonable cost.

Statutory base

The LTSA's financial statements are prepared in accordance with the requirements of Section 41 of the Public Finance Act 1989.

Measurement basis

The general accounting systems recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis, have been followed.

Accounting policies

A. Budget figures

The budget figures are those approved by the Authority in its 2001/2002 Statement of Intent adjusted by subsequent Performance Agreement amendments and the Supplementary Estimates. The 2002/2003 Statement of Intent contains the final approved budget for the Authority for the 2001/2002 year.

B. Revenue

The LTSA is funded from trading revenue and Crown revenue (including payment from the National Roads Fund). Trading revenue includes fees and charges from regulatory activities as well as receipts from sale of goods and services. Trading revenue is recognised on completion of the provision of goods and services in the financial period to which it relates.

C. Expenses

Expenses are recognised in the period to which they relate.

D. Financial instruments

The LTSA is party to financial instruments as part of its everyday operations. These financial instruments include cash and bank balances, investments, accounts receivable and payable. All financial instruments are disclosed in the Statement of Financial Position at their estimated fair value. All revenue and expenditure relating to financial instruments is recognised in the Statement of Financial Performance.

E. Accounts receivable

Accounts receivable are stated at net realisable value, after providing for doubtful and uncollectable debts.

F. Inventories

Inventories acquired for subsequent use in the provision of services are stated at the lower of cost or net realisable value.

G. Fixed asset valuation

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use. All fixed assets costing more than \$2,000 are capitalised and recorded at historical cost.

H. Depreciation of fixed assets

Depreciation is calculated on a straight-line basis at rates that will write off the cost of the assets, less their estimated residual values, over their estimated useful lives. The useful lives and associated depreciation rates used in these statements are as follows:

Leasehold improvements	Life of the lease	
Plant and equipment	5 years	20% straight-line
Furniture and fittings	10 years	10% straight-line
Motor vehicles	4 years	25% straight-line
Office equipment	5 years	20% straight-line
Computer systems and equipment	3 years	33% straight-line
Crash analysis system	5 years	20% straight-line
Driver licence register system	10 years	10% straight-line

I. Output costing

Criteria for direct and indirect costs

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 assigned to outputs

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output.

For the year ended 30 June 2002 direct costs accounted for 86 percent of the LTSA's costs (89 percent in 2001).

Basis for assigning indirect and corporate costs to outputs

Indirect costs are assigned to business units based on a number of cost drivers, the main driver being the proportion of direct staff costs for each output.

For the year ended 30 June 2002, indirect costs accounted for 14 percent of the LTSA's costs (11 percent in 2001).

J. Taxation

Income tax

Crown entities are exempt from income tax under the provisions of the Income Tax Act 1994 and therefore no charge for income tax has been provided for.

Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

K. Employee entitlements

Provision is made in respect of the LTSA's liability for annual leave, long service leave and retirement leave.

Annual leave entitlements are calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on an actuarial basis on the present value of the expected future entitlements.

L. Statement of cash flows

Cash means cash balances on hand, held in bank accounts, and deposits with trading banks registered in New Zealand.

Operating activities include cash received from all income sources of the Authority and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayments of capital to, the Crown.

M. Leases

The LTSA leases office premises, office equipment, and motor vehicles. As all the risks of ownership are retained by the lessor, these leases are classified as operating leases. Operating lease costs are charged as expenses in the period in which they are incurred.

N. Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

O. Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

P. Taxpayers' funds

This is the Crown's net investment in the Crown entity.

Changes in accounting policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with previous years.

Land Transport Safety Authority Statement of Financial Performance for year ended 30 June 2002

30-Jun-01 Actual \$000	Notes	30-Jun-02 Actual \$000	30-Jun-02 Budget \$000 (see Note 1)
Revenue			
548	Crown policy advice	548	548
187	Crown driver licensing and assessments	1,632	1,632
2,413	Crown contract funding	2,253	2,253
25,579	NRF Safety Administration Programme	28,366	28,366
40,217	NRF MVR & RM	41,656	41,615
53,282	Third party revenue	60,843	58,797
1,194	Interest	991	916
123,420	Total revenue	136,289	134,127
Expenditure			
22,589	Personnel expenses	23,872	23,638
94,559	Operating expenses	100,980	100,729
4,487	Depreciation	4,633	4,498
1,980	Capital charge	1,812	1,809
123,615	Total expenditure	131,297	130,674
(195)	Net surplus/(deficit) from operations¹	4,992	3,453

¹ Refer to the Statement of Memorandum Accounts on page 104 for details of the amount transferred to the memorandum account.

The accompanying accounting policies and notes form part of these financial statements.

Land Transport Safety Authority Statement of Financial Position as at 30 June 2002

30-Jun-01 Actual \$000		Notes	30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
Assets				
Current assets				
14,463	Cash and investments	5	17,884	16,600
124	Prepayments		112	138
141	Inventory	6	207	110
2,702	Debtors and receivables	7	2,755	2,931
<u>17,430</u>	Total current assets		<u>20,958</u>	<u>19,779</u>
Non-current assets				
21,176	Fixed assets	8	20,205	21,613
<u>38,606</u>	Total assets		<u>41,163</u>	<u>41,392</u>
Current liabilities				
11,749	Creditors and payables	9	11,728	13,438
4,706	Provision to repay surplus to the Crown		4,471	3,479
1,594	Provision for employee entitlements	10	1,605	1,636
127	Other liabilities		100	127
<u>18,176</u>	Total current liabilities		<u>17,904</u>	<u>18,680</u>
Non-current liabilities				
1,083	Provision for employee entitlements	11	1,050	1,050
<u>19,347</u>	Net assets		<u>22,209</u>	<u>21,662</u>
<u>19,347</u>	Taxpayers' funds	12	<u>22,209</u>	<u>21,662</u>



D Wright
Director of Land Transport Safety



N Lee
General Manager Corporate Services

The accompanying accounting policies and notes form part of these financial statements.

Land Transport Safety Authority Statement of Movement in Taxpayers' Funds for year ended 30 June 2002

30-Jun-01 Actual \$000	Notes	30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
22,239	Taxpayers' funds as at 1 July	19,347	19,347
(195)	Net surplus/(deficit)	4,992	3,453
(4,706)	Provision to repay 2001/2002 surplus to the Crown ¹	(4,471)	(3,479)
2,009	2000/2001 net surplus approved for retention	2,341	2,341
(2,892)		2,862	2,315
19,347	Taxpayers' funds as at 30 June	22,209	21,662
	12		

1 Net of transfer to the memorandum accounts

Land Transport Safety Authority Statement of Memorandum Accounts for year ended 30 June 2002

30-Jun-01 Actual \$000		Licensing \$000	Driver testing \$000	Assess. \$000	Vehicle impound. \$000	30-Jun-02 Total \$000
708	Opening balance	(2,910)	(1,459)	48	128	(4,193)
(4,901)	Net surplus/(deficit) for year	(104)	479	19	127	521
(4,193)		(3,014)	(980)	67	255	(3,672)
0	Repayment of surplus	0	0	0	0	0
(4,193)	Closing balance	(3,014)	(980)	67	255	(3,672)

Refer to the Summary of Financial Performance by output class on page 109 for details of the net surplus/(deficit) for licensing, driver testing, alcohol assessments and vehicle impoundment.

The accompanying accounting policies and notes form part of these financial statements.

Land Transport Safety Authority Statement of Commitments as at 30 June 2002

30-Jun-01						30-Jun-02
Actual		<1 Yr	1-2 Yrs	2-5 Yrs	>5 Yrs	Total
\$000		\$000	\$000	\$000	\$000	\$000
15,193	Accommodation leases	2,089	2,062	6,151	5,037	15,339
55,137	Computing services ¹	15,039	13,616	23,223	0	51,878
0	Other contracts	410	177	26	0	613
<u>70,330</u>	Total commitments	<u>17,538</u>	<u>15,855</u>	<u>29,400</u>	<u>5,037</u>	<u>67,830</u>

¹ The main commitments for computing services include the provision, support and maintenance for the MVR/RUC systems, disaster recovery systems and the Driver Licence Register.

Land Transport Safety Authority Statement of Contingent Liabilities as at 30 June 2002

The outstanding contingent liabilities of the LTSA as at 30 June 2002 amounted to \$667,000 (30 June 2001: \$127,000). These relate to legal claims against the LTSA where the outcomes of court proceedings are uncertain.

The accompanying accounting policies and notes form part of these financial statements.

Land Transport Safety Authority Statement of Cash Flows for year ended 30 June 2002

30-Jun-01 Actual \$000	Notes	30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
68,944	Supply of outputs to Crown/S(A)P/NRF	74,455	74,562
54,230	Supply of outputs to third parties	60,736	58,902
1,194	Interest	991	916
<i>Cash was applied to:</i>			
(22,714)	Payments to employees	(23,894)	(23,369)
(106)	Net GST paid	155	(100)
(95,365)	Other operating expenditure	(101,356)	(99,727)
(1,980)	Payment of capital charge to the Crown	(1,812)	(1,809)
4,203	Net cash inflows/(outflows) operating activities	9,275	9,375
Cash flows from investing activities			
<i>Cash was provided from:</i>			
194	Sale of fixed assets	338	266
<i>Cash was disbursed to:</i>			
(4,084)	Purchase of fixed assets	(3,828)	(5,140)
(3,890)	Net cash inflows/(outflows) investing activities	(3,490)	(4,874)

(table continues on next page)

The accompanying accounting policies and notes form part of these financial statements.

**Land Transport Safety Authority Statement of Cash Flows
for year ended 30 June 2002 (continued)**

30-Jun-01 Actual \$000	Notes	30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
Cash flows from financing activities			
<i>Cash was provided from:</i>			
0	Capital contributions from the Crown	0	0
<i>Cash was disbursed to:</i>			
(644)	Payment of surplus	(2,364)	(2,364)
0	Repayment of capital to the Crown	0	0
<u>(644)</u>	Net cash inflows/(outflows) financing activities	<u>(2,364)</u>	<u>(2,364)</u>
14,794	Opening cash balance	14,463	14,463
(331)	Net increase in cash held	3,421	2,137
<u>14,463</u>	Closing total cash balances	<u>17,884</u>	<u>16,600</u>
<i>Cash consisted of:</i>			
968	Cash and bank	270	100
13,495	Investments	17,614	16,500
<u>14,463</u>	5	<u>17,884</u>	<u>16,600</u>

The accompanying accounting policies and notes form part of these financial statements.

**Land Transport Safety Authority reconciliation of net surplus
from operations to net cash flow from operating activities
for year ended 30 June 2002**

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
(195)	Surplus/(deficit) from operations	4,992	3,453
	Add/(less) non-cash items:		
4,487	Depreciation	4,633	4,498
92	Increase/(decrease) in non-current employee entitlements	(33)	(33)
<u>4,579</u>	Total non-cash items	<u>4,600</u>	<u>4,465</u>
	Add/(less) movements in working capital items:		
(1,162)	Increase/(decrease) in accounts payable	(48)	554
(117)	(Increase)/decrease in pre-payments	12	(131)
89	(Increase)/decrease in inventory	(66)	120
33	Increase/(decrease) in employee entitlements	11	167
976	(Increase)/decrease in debtors	(53)	747
<u>(181)</u>	Working capital movements—net	<u>(144)</u>	<u>1,457</u>
	Add/(less) items classified as investing activities		
0	Less gain on sale of assets	(173)	0
<u>4,203</u>	Net cash flow from operating activities	<u>9,275</u>	<u>9,375</u>

The accompanying accounting policies and notes form part of these financial statements.

Land Transport Safety Authority Summary of Financial Performance by output class for year ended 30 June 2002

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
	Crown revenue		
4,175	Policy advice	3,967	3,967
0	Licensing	1,445	1,445
187	Assessments	187	187
160	Vehicle impoundment	444	444
17,045	Safety information and promotion	19,706	19,706
40,217	Motor vehicle registry and revenue management	41,656	41,615
6,302	Grants management	6,334	6,334
858	Safety audit	716	716
68,944	Total Crown revenue	74,455	74,414
	Third party revenue		
1,877	Policy advice	2,302	2,261
20,581	Licensing	22,171	21,897
10,339	Driver testing	13,673	12,874
2,344	Safety information and promotion	2,192	2,070
8,683	Motor vehicle registry and revenue management	9,703	9,443
217	Grants management	318	194
10,435	Safety Audit	11,475	10,974
54,476	Total third party revenue	61,834	59,713
123,420	Total revenue	136,289	134,127

(table continues on next page)

The accompanying accounting policies and notes form part of these financial statements.

**Land Transport Safety Authority Summary of Financial Performance
by output class for year ended 30 June 2002 (continued)**

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
	Expenditure		
6,050	Policy advice	5,949	5,823
23,428	Licensing	23,720	24,163
12,538	Driver testing	13,194	13,095
170	Assessments	168	187
32	Vehicle impoundment	317	444
18,699	Safety information and promotion	20,706	20,783
46,199	Motor vehicle registry and revenue management	49,211	49,176
6,225	Grants management	6,956	6,428
10,274	Safety audit	11,076	10,575
123,615	Total expenditure	131,297	130,674
	Surplus/(deficit) from operations		
2	Policy advice	320	405
(2,847)	Licensing	(104)	(821)
(2,199)	Driver testing	479	(221)
17	Assessments	19	0
128	Vehicle impoundment	127	0
690	Safety information and promotion	1,192	993
2,701	Motor vehicle registry and revenue management	2,148	1,882
294	Grants management	(304)	100
1,019	Safety audit	1,115	1,115
(195)	Total surplus/(deficit) from operations	4,992	3,453

The accompanying accounting policies and notes form part of these financial statements.

Land Transport Safety Authority Notes to the Financial Statements

1. Budget changes

	Statement of Intent (initial) \$000	30-Jun-02 Approved Budget changes \$000	30-Jun-02 Statement of Intent (final) \$000
Revenue			
Crown	72,668	1,746	74,414
Other	51,725	7,072	58,797
Interest	691	225	916
Total revenue	125,084	9,043	134,127
Expenditure			
Personnel Eepenses	21,974	1,664	23,638
Operating expenses	100,219	510	100,729
Depreciation	4,470	28	4,498
Capital charge	1,800	9	1,809
Total expenses	128,463	2,211	130,674
Net operating surplus/(deficit)	(3,379)	6,832	3,453

The original budget for the LTSA appears in the 2001/2002 Statement of Intent. This is subsequently amended by both Supplementary Estimate and Performance Agreement changes agreed by the Minister of Transport.

The final budget for the LTSA appears in the 2002/2003 Statement of Intent as the forecast actual for 2001/2002.

Major budget variations

Explanations for major variances from the initial budget in the LTSA's 2001/2002 Statement of Intent at the beginning of the year and the approved final budget in the LTSA's 2002/2003 Statement of Intent are:

Revenue

Crown revenue increase is due to funding for the Road Sense education programme.

Third party revenue increase reflects new fees for licensing and driver testing introduced on 31 December 2001, plus increased agency revenue from ACC due to higher volumes of transactions.

Expenditure

Personnel expenditure increase of \$1,664,000 reflects work previously done by Motor Safe, which is now being carried out in-house by the Vehicle Certification Unit.

Operating expenditure increase of \$510,000 is due mainly to higher licensing, testing and border inspection transaction costs as a result of higher than forecasted transaction volumes.

Land Transport Safety Authority Notes to the Financial Statements

2. Third party revenue

Third party revenue sources are listed below:

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
17,807	Driver licence fees	19,916	19,740
10,774	Driver testing fees	14,097	13,391
8,346	Agency revenue from ACC	9,442	9,177
4,283	Safety standards levies	4,408	4,370
6,338	WoF on-line and border inspection fees	7,043	6,322
3,732	Transport licensing fees	3,744	3,894
82	Road Safety Trust funding	82	80
270	Rail fees	265	264
228	Over-dimension permits	223	224
772	LATIS recoveries	822	800
425	Sale of road safety material	403	310
0	Gain on sale of assets	173	0
225	Revenue other	225	225
53,282		60,843	58,797

Land Transport Safety Authority Notes to the Financial Statements

3. Operating expenses

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000	30-Jun-02 Budget \$000
17,426	Agency fees motor vehicle registration	16,756	16,238
4,387	Agency fees road user charges	4,680	5,165
16,269	Driver licence operation	18,247	17,749
1,967	WoF and ODP operation	2,352	1,894
3,824	Registration plates and labels	4,205	4,357
1,847	Debt collection Crown revenues	2,604	2,181
14,636	Computing	14,503	14,720
8,304	Communications	8,494	8,672
1,681	Travel and training	2,563	2,782
3,078	Operating lease rentals	2,999	3,100
2,412	Research and audit contractors	2,820	3,202
1,801	Forms, books and stationery	2,062	2,086
9,055	Road safety package	9,841	9,803
1,491	Information services	1,753	1,491
5,175	Community projects	5,946	6,005
180	Medical and legal fees	160	293
787	Police fit and proper checks	665	440
63	Audit fees	63	63
107	Members' fees	109	109
62	Sundry	158	379
7	Fees to auditors for other services	0	0
94,559		100,980	100,729

4. Capital charge

The LTSA pays a capital charge to the Crown on its net assets as at 30 June and 31 December each year.

The capital charge rate for the 2001/2002 year was nine percent (2000/2001: 10 percent).

Land Transport Safety Authority Notes to the Financial Statements

5. Cash and investments

The LTSA is subject to the investment provisions contained in Section 25 of the Public Finance Act 1989.

These provisions require money to be invested with any registered bank in New Zealand or in public securities.

The LTSA has a policy of holding no more than \$5 million of its investments with any one bank.

The investments as at 30 June 2002 are fixed term deposits ranging from 30 to 180 days.

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
	Cash	
968	Cash and bank balances	270
	Investments	
3,760	WestpacTrust Bank	4,042
1,375	Bank of New Zealand	4,000
1,500	National Bank	3,289
2,500	ANZ Bank	2,000
4,360	ASB Bank	4,283
14,463		17,884

6. Inventory

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
0	Driver education resources	0
141	MVR/RUC labels and plates	207
141		207

Land Transport Safety Authority Notes to the Financial Statements

7. Debtors and receivables

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
294	Revenue owed by agents - Driver licence fees	395
820	- Revenue from ACC	823
358	- Land transport levy	243
259	- Border inspection fees	190
337	- WoF and LATIS fees	111
0	- Rail licensing fees	55
684	Other trade debtors	988
(50)	Provision for doubtful debts	(50)
2,702		2,755

8. Fixed assets

30-Jun-01 Net book value \$000		Cost \$000	Accum. deprec. \$000	Deprec. \$000	30-Jun-02 Net book value \$000
1,594	EDP equipment	7,115	5,073	1,219	2,042
17,221	EDP software	24,415	8,468	2,742	15,947
835	Furniture and fittings	2,064	1,184	148	880
608	Leasehold improvements	1,287	480	127	807
688	Motor vehicles	1,218	899	312	319
230	Office equipment	898	688	85	210
21,176		36,997	16,792	4,633	20,205

Land Transport Safety Authority Notes to the Financial Statements

9. Creditors and payables

Sundry creditors and accounts payable are expenditure due to suppliers for goods and services received, but not paid for as at 30 June 2002.

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
395	Operational creditors - Driver licence	416
201	- Vehicle inspection	261
2,469	- MVR & RM	2,601
5,957	Other trade creditors	5,586
946	Employee entitlements	1,093
1,291	Income in advance	1,024
490	Community projects	747
11,749		11,728

10. Provision for employee entitlements—current

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
1,594	Annual leave entitlement as at 30 June 2002.	1,605

11. Provision for employee entitlements - non current

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
194	Long service leave entitlements	211
889	Retirement leave entitlements	839
1,083		1,050

Land Transport Safety Authority Notes to the Financial Statements

12. Analysis of taxpayers' funds

30-Jun-01 Actual \$000		30-Jun-02 Actual \$000
19,265	Crown investment	19,265
(4,193)	Memorandum account	(3,672)
4,275	Retained earnings	6,616
<u>19,347</u>		<u>22,209</u>

13. Related party transactions

The LTSA undertakes transactions with other government departments and Crown entities. These transactions are carried out on an “arms-length” basis and it is considered that they do not fall within the intended scope of related party disclosure.

The Motor Vehicle Registry and Revenue Management (MVR & RM) output class is managed by the LTSA under contract to the Ministry of Transport. The Transport Registry Centre, based in Palmerston North, operates the MVR & RM business. The other component of this output is the Economic Compliance Unit. The Unit is situated in the LTSA Head Office with field staff operating throughout the country from LTSA Regional Offices.

The Land Transport Safety Authority receives funding from the Road Safety Trust for providing administrative support.

14. Changes to comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation and classification adopted in the current period.

Land Transport Safety Authority Notes to the Financial Statements

15. Major actual to budget variations

Explanations for major variances between actual and budget results are:

Statement of Financial Performance

Total revenue exceeds budget by \$2,162,000 mainly due to higher third party revenue. Additional third party revenue was received from driver testing fees, WoF fees, and agency fees from ACC.

Total expenditure for the year was over budget by \$623,000. This was mainly due to personnel costs from the new Vehicle Certification Unit, plus increased border inspection fees as a result of higher volumes than forecast.

Statement of Financial Position

Cash and investments exceeded budget by \$1,284,000. This excess resulted from lower asset purchases than projected for the year.

16. Staff earning in excess of \$100,000 (including severance payments)

2000/2001		2001/2002
No. of staff	Earnings group	No. of staff
0	\$240,001–\$250,000	1 Director
0	\$150,001–\$160,000	2
1	\$140,001–\$150,000	1
4	\$130,001–\$140,000	0
0	\$120,001–\$130,000	2
3	\$110,001–\$120,000	3
2	\$100,001–\$110,000	1

Land Transport Safety Authority Notes to the Financial Statements

17. Board fees

2000/2001				2001/2002	
Fees paid	Board members	From	To	Fees paid	
45,000	W. Brown - Chairman	1-Jul-01	30-Jun-02	45,000	
14,063	Rt Hon D. Lange	1-Jul-01	30-Jun-02	18,750	
2,500	H. Keyte	1-Jul-00	31-Aug-00	0	
15,000	T. White	1-Jul-01	31-Aug-01	2,500	
3,750	G. Malaghan	1-Jul-99	30-Sep-00	0	
11,250	S. Mitchell	1-Jul-01	30-Jun-02	15,000	
15,000	G. Kivell	1-Jul-01	30-Jun-02	15,000	
0	L. Wall	1-Sep-01	30-Jun-02	12,500	
<u>106,563</u>				<u>108,750</u>	

18. Subsequent events

There are no material events after balance date that will effect these financial statements.

Land Transport Safety Authority Notes to the Financial Statements

Abbreviations

ACC	Accident Compensation Corporation
GST	Goods and Services Tax
LATIS	Land Transport Inspection System
MVR	Motor Vehicle Register
MVR & RM	Motor Vehicle Registry and Revenue Management
NRF	National Roads Fund
ODP	Over Dimension Permits
RUC	Road User Charges
S(A)P	Safety (Administration) Programme
WoF	Warrant of Fitness



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE LAND TRANSPORT SAFETY AUTHORITY FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 54 to 121. The financial statements provide information about the past financial and service performance of the Land Transport Safety Authority and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 98 to 101.

Responsibilities of the Board

The Public Finance Act 1989 requires the Board to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Land Transport Safety Authority as at 30 June 2002, the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and Section 43(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Board. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed H C Lim, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Land Transport Safety Authority's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Land Transport Safety Authority.

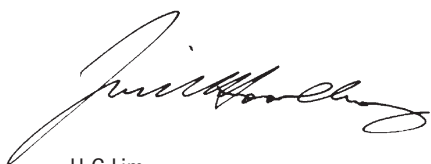
Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Land Transport Safety Authority on pages 54 to 121:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Land Transport Safety Authority's financial position as at 30 June 2002;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 6 September 2002 and our unqualified opinion is expressed as at that date.



H C Lim
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand