



Seventeenth Annual Report of the

ROAD SAFETY TRUST

for the year ended 30 June 2006

Presented to the House of Representatives pursuant to Section 45M of the Public Finance Act 1989

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Foreword

As Chairman of the Road Safety Trust it is my pleasure to present to you the seventeenth annual report and audited accounts for the year ended 30 June 2006.

Achievements

At the two meetings held in this financial year a total of \$1.1 million was granted to 49 projects.

Funding was granted to a variety of community groups targeting a wide selection of road safety priorities. Both large and small, the community grants ranged from a \$125,000 multi-media road safety campaign targeted at migrants in the Auckland area to \$560 for child restraints in Matamata.

During the year we saw the launch of the *On the road study kit* which was developed as a result of a Trust-grant for the development of a teaching resource targeted at improving road safety awareness among visiting international students. The kits have been distributed nationwide, with the potential to reach 7,000 international students.

The Trust was also the principal funder of the first national Child Car Restraint Forum hosted by the Royal NZ Plunket Society. Held in Wellington, this successful forum provided two days of discussion, learning and challenging of views on issues related to child car restraint use. The Trust also funded Plunket to produce promotional material for child restraint use, including posters and a series of information rack cards in English, Maori, Samoan and Chinese.

The Trust continued to support the Road Safety Innovation Awards. These awards recognise individuals and organisations for their outstanding efforts to increase road safety and the awards ceremony is an event that has become a highlight of the road safety calendar. Funding continued for Students Against Driving Drunk (SADD) and a substantial grant was made for dedicated road safety research projects.

The decision to hold only two meetings this year allowed Trust staff the time to audit grant reports, checking that projects were delivered in line with the conditions of the contract. The Trust was pleased to note that the majority of groups complied with the conditions and delivered the approved projects within budget. Where any anomalies were identified, appropriate action has been taken.

Financial performance

The Trust is funded from a portion of profits received from the first-time sale of personalised motor vehicle licence plates. Personalised Plates Limited (PPL), the company contracted to market the plates, has for the seventh year running continued to perform outstandingly,

reporting a 5 percent improvement in sales compared to the previous year. The Trust has therefore once again benefited from receiving higher than anticipated revenue. The Trust continues to maintain a strong capital base.

At its December meeting the Trust was pleased to once again meet with PPL management and hear first-hand of the plans being made to increase PPL's business and thus potentially further improve the Trust's revenue stream.

Board and management

There were no membership changes during the reporting period, with Tony Knight, Yani Johanson, Wayne Donnelly and myself continuing our terms of tenure.

The Trust is indebted to the behind-the-scenes work done by the Secretariat and the Trust's support committees. The Trust thanks all involved for their continued assistance.

The future

The review of the Trust's continued operation by the Secretary for Transport, as recommended in the 2004 Transport Sector Review, has yet to be undertaken and therefore the Trust's future still remains somewhat uncertain as a result.

Over the years the Trust has made a valuable contribution to road safety by supporting local communities to participate in the development and delivery of community road safety activities. It is anticipated that recent proposed changes to the allocation of Community Road Safety Programme funding have the potential to consolidate and expand the Trust's funding role in the community.

The Trust hopes to be able to continue with its activities in assisting communities to take ownership of, and address, local road safety issues and to continue to support robust road safety research.



Suzanne Sinclair

Chairman

Management statement

1. Introduction

The Road Safety Trust has pleasure in presenting its annual report for the year 1 July 2005 to 30 June 2006.

Road traffic crashes result in more years of life lost than any other source of injury in New Zealand. We are told that they are the leading cause of death to children – 45 percent of deaths in the 0–14 year age group. Road traffic crashes are also the leading cause of disability for people aged 15–44. Such unacceptable facts demonstrate that there is clearly room for further reductions in the road toll.

Improvements are achievable and will have positive impacts on all New Zealanders. Together with all participating road safety partners, the Trust will continue to make its contribution to achieving this shared goal.

The Trust awaits with interest the outcome of the review of its activities that was recommended in the Transport Sector Review, and hopes that the Trust's continuing value is recognised and that its continued operation to benefit community road safety in New Zealand will ultimately be endorsed.

2. Establishment and membership

The Trust was established in August 1989. It is empowered to receive and invest its portion of the revenue received from the sale of personalised motor vehicle licence plates, and to make grants from those funds to traffic safety projects from time to time. Under the terms of the *Public Finance Amendment Act 2004* the Trust's status is deemed to be that of a Crown established trust. It is required under Section 45M of the *Public Finance Act 1989* to forward to the Minister of Transport an annual report, including audited financial statements that must be laid before the House of Representatives.

The membership of the Trust comprises:

- a chairperson nominated by the Minister of Transport
- the Chief Executive of Land Transport New Zealand (Chief Executive), or his or her nominee
- a representative of youth nominated by the Ministry of Youth Affairs
- a representative of road users nominated by the New Zealand Automobile Association.

This membership provides a balance of consumer, government and corporate interests. The Minister of Transport appoints the four Trustees of the Road Safety Trust. The term of appointment of the Trustees, other than the Chief Executive or his or her nominee, is a period

not exceeding three years. This is fixed at the time of appointment, with the provision that any Trustee may be reappointed for any further period of up to three years.

The four Trustees are currently:

Suzanne Sinclair	Chairman
Wayne Donnelly	Chief Executive of Land Transport New Zealand
Yani Johanson	Representative of youth
Tony Knight	Representative of road users

There were no changes to Trustees during this financial year.

Key support staff are:

Leonie Corrigan	Administration
Graham Cooper and Willy Wilson	Accountants

3. Functions

The Trust has the following functions:

- To provide funds for road safety projects such as:
 - community safety initiatives
 - private sector technological developments with road safety benefits, which are unable to be fully funded by government organisations or from revenue generated by sales
 - research and study awards
 - training, education and overseas travel to attend conferences or undertake study
 - specific road safety projects as referred from time to time by the Minister of Transport, and
 - any other project which the Trustees consider likely to contribute to the improvement of safety on roads.
- To ensure that the Trust's monies are properly invested.
- To ensure that proper financial statements are kept in respect of the Trust.
- To ensure that annual financial statements are prepared promptly at the end of each financial year.
- To ensure the Auditor-General audits its annual financial statements.

4. Support

Land Transport New Zealand's Corporate Services Group provides executive services to the Trust (Leonie Corrigan) and financial support services (Graham Cooper and Willy Wilson). Ms Lynne Heasman, Land Transport New Zealand's Manager Marketing, Education and Communications chairs the Grants Advisory Committee, and Mr Bill Frith, the Ministry of Transport's Manager Research and Statistics (Strategic Directions) chairs the Technical Advisory Committee. These committees provide expert advice to the Trust on community projects and research, respectively. The Trust also receives support from Land Transport New Zealand's regional offices with the evaluation of grants and accounting for funds.

The Trust has a formal agreement for the provision of support services by Land Transport New Zealand (currently that carried over from the Land Transport Safety Authority) by way of a Memorandum of Understanding (MOU). The MOU establishes a service-level agreement that clearly identifies and defines the expectations and responsibilities of both agencies. It will be renegotiated as appropriate once the outcome of the upcoming review is known.

5. Review of operations (July 2005 to June 2006)

5.1 Meetings

The Trust met twice during this financial year to consider applications for funding. The meetings were held in September 2005 and December 2005.

5.2 Applications

Advertising of applications for the funding of road safety projects was arranged in metropolitan and provincial daily newspapers. The Trust is listed in the Department of Internal Affairs funding information service, Fundview, accessible at community development group offices and libraries throughout New Zealand. Internet links are established with Personalised Plates Ltd and Community Net. Information about the Trust is also available through the Trust's own Internet site, www.roadsafety.govt.nz. The Trust has agreed priority areas and target groups, which aim to complement and support the road safety priorities expressed in the *Road Safety to 2010* strategy.

Of the 104 applications received, 49 totalling \$1.1 million were approved for full or partial funding during the 2005/2006 financial year.

The approved grants are scheduled at Annex A (page 16).

5.3 Statement of allocation criteria

The Trust's statement of allocation criteria is as follows:

- Applications must be compatible with the Trust functions.
- Applications must be in accordance with the priorities set out in the *Road Safety to 2010* strategy document.
- There must be no known similar programme operating in largely the same sphere of influence.
- Fully completed application forms and adequate material in support of the application must be provided.
- Evaluation measures for the project must be easily identified, valid and realistic. Standards must be provided as necessary.
- Applicants must be able to assure the Trust that the project will be efficiently and responsibly managed.

5.4 Mission and management principles

The Trust is committed to the following mission and management principles.

Mission statement

To administer funds for the benefit of improved road safety in New Zealand.

Management principles

- To encourage communities, organisations and individuals to identify and work at road safety initiatives.
- To assist people to gain access to resources that will empower and enable them to achieve road safety objectives.
- To support justice and equity in the management of the Trust.
- To encourage tangata whenua and cultural minority groups to become more involved in road safety work.
- To respect the culture and heritage of other peoples and to foster cooperative road safety partnerships.
- To ensure that the products and services receiving Trust support are relevant to the Trust's objectives.
- To be accountable to the public.
- To provide on-going resources for New Zealand road safety needs.
- To support research in the road safety field.

5.5 Code of ethics

This is the Trust's Code of ethics.

Ethics

- Trust members should conduct themselves in a manner consistent with custodial responsibilities. Any trustee exercising power of investment should exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

Integrity

- Trust members should be prudent, honest and sincere in their approach to their work.

Objectivity

- Trust members should be fair, open and impartial, and not allow prejudice or bias to override their objectivity. Trustees and staff should disclose their involvement, if any, in grant applications.

Standards

- Trust members should maintain a high degree of competence and exercise due care.

Confidentiality

- The information acquired from applicants should be treated as provided for under the *Privacy Act 1993*, which emphasises the rights of privacy of individuals. No information should be disclosed without specific authority or a duty of disclosure under the Act.
- Trust members are not obliged to divulge to other members, matters concerning their own organisation, procedures or systems.

Accountability

- An appropriately qualified professional person should prepare the Trust accounts.
- Audit of accounts is to be done.
- The list of successful applicants should be published as general information.

Obligations

- Trust members should be aware of their statutory obligations and conduct their affairs in accordance with the provisions of all appropriate legislation.

5.6 Contracts

As from July 1995 successful applicants for grants of over \$1,000 have been required to sign a contract, clearly detailing their obligations for the project delivery and accounting of funds.

5.7 Research

Recognising the fact that, underpinning road safety programmes and administration is robust road safety research, the Trust is committed to funding research projects with a sound likelihood of being translated into reduced road crash rates.

Research projects funded by the Trust are overseen by a Technical Advisory Committee. The Committee is an expert group that considers and arranges the peer review of proposals, approves projects, and monitors their progress. Through the Committee the Trust provides the only source of dedicated road safety research funding. The Committee has to date made 52 research grants totalling \$1.9 million.

The Trust's research grants have benefited a range of projects with multiple end-users in such areas as older driver safety, heavy vehicle driver fatigue, and road delineation, to name a few. This research has provided a substantial contribution to our knowledge of these issues, and most of it would not have been able to be undertaken without access to funding from the Trust. The providers of this work have been university-based injury research units and private sector engineering and research organisations. Some major projects have been co-funded with other organisations such as the Health Research Council and the ACC.

Over the years research funding has also been provided to assist with road safety conferences and seminars. This year such funding was used to sponsor the Australasian Road Safety Research, Policing, Education Conference held at Te Papa in Wellington. This is an annual conference of road safety researchers and practitioners, at which the latest developments in road safety research and practice from Australasia and elsewhere are presented.

5.8 Scholarships

In 1995 the Trust set up a scheme to provide funding for road safety scholarships for postgraduate students, which are tenable at any university in New Zealand. Availability of the scholarships is advertised annually in the New Zealand Vice-Chancellors' Committee *Scholarship Handbook* and on its website: www.nzvcc.ac.nz/scholarships.

These scholarships provide a useful avenue for encouraging students to consider road safety as a possible future career. To date 17 scholarships or equivalent research grants have been awarded to Masters and Doctoral students in psychology, engineering and other disciplines for relevant road safety research work.

Through these scholarships the Trust has made a substantive contribution to capacity building within the road safety research arena.

5.9 Community projects

Forty-nine applications were approved for funding in this financial year. This figure is down on recent years. The grants approved were for diverse road safety projects from a wide variety of groups within the community.

Sizeable projects funded by the Trust included the Road Safety Innovation Awards, support for the Royal NZ Plunket Society to hold the first national Child Car Restraint Forum, a grant to the Chinese New Settlers Services Trust for a multi-media road safety campaign targeted to new settlers and two grants to theatre groups targeting schools in different regions with road safety messages. Other projects funded, along with the usual support for child restraint schemes and driver licensing assistance programmes, were several regional projects targeting various aspects of road safety including providing fluorescent vests for school children in Southland, motorcycle safety training days, support of two young enterprise schemes with a road safety theme and an innovative scheme that seeks to target unlicensed or inappropriately licensed drivers and provide them with the support needed to become safe and legal drivers.

Throughout the year reports on many of the previously-funded projects were received. Not all the reports were final, and some of the projects remain ongoing. Projects for which the Trust has received final reports include the Royal NZ Plunket Society's national child car restraint replacement programme and the development of a safety belt demonstration seat to assist with training on the safe use and installation of child restraints. A report on *the On the road study kit* project was received – this is an educational resource that aims to improve road safety awareness among visiting international students and has been distributed to language schools nationwide.

Two other projects of note that were completed, or made significant progress, this year are the landmark project 'True Grit' and the Road Safety Innovation Awards. True Grit was a national initiative aimed at heightening awareness of safety at roadworks sites – from the independent qualitative research provided it appears that the campaign was well executed and effective. The Road Safety Innovation Awards scheme held its third successful annual awards. This scheme is gaining increased awareness within the transport sector and communities, assisting with the growth of networks and the sharing of best practice in road safety.

As always, many other smaller projects were satisfactorily completed. The Trust funds such projects in the certainty that, while the benefits may be intangible, they aid in developing a community-based road safety culture.

6. Finance

6.1 Revenue and expenditure

The Financial statements contain details of revenue and expenditure from the Trust's seventeenth year of operation.

The Trust is funded from the Crown share of the initial sale of every personalised number plate.

Personalised Plates Ltd (PPL) is contracted to market personalised motor vehicle licence plates. Its main activities are:

- routine sales of personalised plates
- auctions of high-demand plates.

PPL's marketing and sales results provide the Trust with revenue. Since 1997, when the ownership of PPL changed, the Trust has been entitled to receive the entire Crown share of PPL's earnings. Revenue received from PPL totalled \$1,935,156 for the year, up by \$99,411 on last year.

The Trust earned a total of \$345,892 in interest.

The Trust has achieved a net surplus of \$1,502,636 for the year ended 30 June 2006. This result was higher than the expected surplus of \$487,544. The main reason for this was the lesser value of grants funded.

Public equity stands at \$5.019 million, remaining well above the minimum investment level and providing a solid capital base for the Trust.

Operating costs of \$103,452 were incurred during the year. These costs were lower than the budgeted amount due to the Trust only meeting twice in this financial year.

6.2 Funding policy

The more flexible funding policy adopted in 2000, with all applications for both research and community projects being considered on their merits, has continued to operate.

The Trust was pleased to be able to fund the projects it has during the year and hopes to be able to engage more fully in actively seeking projects to fund once the outcome of the review of the Trust known.

6.3 Investment policy

The Trust adopted a new investment policy at its November 2001 meeting, which essentially formalised the existing investment arrangements. Under the policy it adopted a conservative approach to exposure, agreeing that the maximum investment limit with any one institution

will be no more than 33 percent of the Trust funds, while ensuring that procedures were in place to retain the flexibility to take advantage of the best opportunities being offered. Last year the Trust adjusted its minimum investment level of no more than \$4.5 million to allow it to support the many sizeable quality projects presented to it during that year. As reported above, the investment level has been built back up to above the previous minimum during this financial year.

6.4 Investments

The Trust's investments stand at \$5,855,417. Note 1 to the Financial Statements details the investment portfolio.

The Trust's investment portfolio is spread over four separate institutions and meets the requirements of the *Public Finance Act 1989*.

All investments are currently being placed on short-term deposit until the future of the Trust is determined.

6.5 Concluding comments

The Trust sincerely hopes that the upcoming review recognises its contribution to the reduction of trauma on New Zealand roads over its 17 successful years of operation and affirms the positive and essential role the Trust has developed within the national road safety framework.

For the 12-month period to 30 June 2006, the road toll stood at 364; this compares favourably with the road toll of 405 for the previous 12-month period. This result has been achieved by all road safety partners focusing and working together toward the shared goal of the reduction of road trauma. The Trust is now the only government entity solely dedicated to providing funding for road safety and it views its role as critical to continuing such achievements.

Annex A Road Safety Trust grants approved

Organisation	Project description	Amount
Cycle Aware – Wellington	Bike news	\$18,397.00
Shakiti Migrant Community Education Centre Inc	Driver licence training for migrants	\$4,500.00
Hawkes Bay Event Equipment Trust	Purchase of event equipment	\$10,000.00
Road Safety Innovation Awards	2005 awards programme	\$138,710.00
Royal NZ Plunket Society Inc	Forum support	\$57,800.00
Royal NZ Plunket Society Inc	Promotional equipment	\$11,385.00
REAP – Taupo Central Plateau	Turangi car seat scheme	\$1,800.00
Road Safety Southland	Fluorescent vests for children	\$10,000.00
Toia Bennett and Kinnear Charitable Trust	Its All About Choice programme	\$20,000.00
Tauranga Moana Road Safety Committee	Marae-based road safety training	\$17,960.00
Far North REAP Inc	Far North secondary schools road safety innovation awards	\$15,180.00
Eastern Bay Road Safety Committee	Driver licence project	\$26,800.00
Chinese New Settlers Services Trust	Multi-media road safety campaign	\$125,400.00
Southland Community Broadcasters Charitable Trust	Community Road Safety Programmes	\$3,500.00
Tuwharetoa Social Services	Driver licence programme	\$11,000.00
Migrant Support Services Inc	Fasten your seatbelts, 2005	\$6,810.00
Cycle Action Tauranga Inc	Safe cycling in schools	\$9,037.00
To Be Advised Charitable Trust	Educational theatre tour	\$36,550.00
Maori Women's Welfare League – Otautahi Branch	Child restraints scheme	\$12,700.00
Maori Women's Welfare League – Otautahi Branch	Waimakariri child restraint scheme	\$8,000.00
Waitakere City Council	Clicki Ricki promotion	\$9,500.00
Triumph Owners Motorcycle Club – Wanganui Chapter	Motorcycle skills training day	\$2,750.00
Wellington Performing Arts Centre	Road safety performance	\$42,900.00
Hamilton City Council	Staying alive expo	\$20,000.00
Taranaki MS Transport Trust Inc	Wheelchair clamps	\$3,580.00
Waitakere City Workers' Educational Association Inc	Unlicensed drivers project	\$18,000.00
Gore Parents Centre Inc.	Child restraints rental scheme	\$3,000.00
Te Utu Hina Manaaki Tanga Trust	Recidivist drink driver programme	\$33,750.00
Hawkes Bay Road Safety Compliance Trust	RS compliance project	\$5,000.00
Te Kaweora Charitable Trust Inc	Mobility scooter user safety training	\$3,000.00
Royal NZ Plunket Society – Matamata	Matamata Plunket Society car seats	\$560.00
Age Concern Wellington	Safe with Age	\$3,160.00
Strada	Road safety board game	\$6,000.00
South Canterbury Road Safety Trust	Child restraint checking clinics	\$10,000.00
Literacy Turangi	Kidzncars project	\$9,748.00
Columba College	Fatigue warning device	\$6,000.00
Technical Advisory Committee	Research projects 2006	\$350,000.00
Kahu Youth Trust	Look after your mate – drink-drive education programme	\$2,200.00
Literacy Aotearoa (Dunedin) Inc	Learner licence courses	\$2,460.00
Hawkes Bay Event Equipment Trust	Bikes For schools cycle training programme	\$6,600.00
Kapiti Jaycee Inc	Driver reviver project	\$3,360.00
Samoan EFKAS Church, Henderson and Titirangi	Ola Fa'asaoina project – church-based restricted licence training programme	\$4,000.00
Migrant Support Services Inc	Road safety issue education programme	\$4,266.00

Organisation	Project description	Amount
Dunedin City Council Community Road Safety	Driver licensing programme	\$19,476.75
Otara Health Incorporated	Car seat questionnaire	\$5,000.00
iHOW Ltd	Learner licence theory and restricted licence support service	\$12,000.00
Ulysses Club Of New Zealand (Hamilton Branch)	Advertising of motorcycle mentor training programme	\$2,000.00
Royal NZ Plunket Society Inc	Provision of new and replacement infant & child restraints	\$7,975.00
Northland Road Safety Association Inc	Fatigue project	\$3,000.00
		\$1,144,814.75

Financial statements

Road Safety Trust

Statement of responsibility

In accordance with the *Public Finance Act 1989*, the Trustees have responsibility for the preparation of these financial statements and the judgements used herein.

An internal management control system has been put in place to provide reasonable assurance as to the integrity and reliability of the financial reports.

The financial statements fairly reflect the financial position and operations of the Trust for the year ended 30 June 2006.



S Sinclair
Chairperson
13 October 2006



G J Cooper
Accountant
13 October 2006

Statement of accounting policies

Reporting entity

These are the financial statements of the Road Safety Trust (the Trust), which is a Crown established trust under the *Public Finance Act 1989*.

Statutory base

The financial statements of the Trust have been prepared pursuant to the *Public Finance Act 1989*.

Measurement base

The measurement base adopted in the preparation of these financial statements is that of historical cost.

Accounting policies

A. Budget figures

The budget figures are those approved by the Trustees of the Trust, at the Trust's meeting in September 2005.

The budget figures have been prepared in accordance with generally accepted accounting practice, and are consistent with the accounting policies adopted by the Trust for the preparation of the financial statements.

B. Revenue

The Trust is funded from personalised plate sales and interest from investments. Such revenue is recognised when earned and is reported in the financial period to which it relates.

C. Expenses

Expenses are recognised in the period to which they relate.

D. Grants

Grants are recognised at the time they are approved by the Trust. Any grants that are rescinded are written back once the decision to rescind has been passed.

E. Financial instruments

The Trust is party to financial instruments as part of its everyday operations. These financial instruments include bank balances and investments, accounts receivable and payable. All financial instruments are reported in the statement of financial position and all revenues and expenditures in relation to financial instruments are recognised in the statement of financial performance.

F. Investments

Investments are stated at cost, adjusted for the amortisation of any premium or discounts.

G. Accounts receivable

Debtors and receivables are stated at net realisable value.

H. Taxation*Income tax*

Crown established trusts are exempt from income tax under the provisions of the *Income Tax Act 2004* 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.

I. Public equity

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

J. Statement of cash flows

Cash means cash balances on hand, held in bank accounts and deposits with trading banks. Operating activities include cash received from all income sources of the Trust and record the 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.

K. Commitments

Future expenses to be incurred on contracts that have been entered into, but not yet completed at balance date, are disclosed as commitments to the extent that there are equally unperformed obligations.

L. Contingent liabilities

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

Changes in accounting policies

There were no changes to accounting policies since the date of the last audited financial statements.

Road Safety Trust
Statement of financial performance
for the year ended 30 June 2006

Actual 30-Jun-05 \$		Notes	Actual 30-Jun-06 \$	Budget 30-Jun-06 \$
INCOME				
1,835,745	Personalised plates		1,935,156	1,645,857
379,456	Interest received	2	345,892	357,451
0	Sundry revenue		2,000	0
<u>2,215,201</u>	TOTAL INCOME		<u>2,283,048</u>	<u>2,003,308</u>
EXPENDITURE				
0	Printing		30	500
13	Bank charges		20	13
3,620	Trustees' fees	7	2,120	6,800
2,825	Trustees' expenses		3,207	5,000
8,600	Audit fees		9,030	9,030
8,623	Advertising		8,934	14,300
80,000	Authority support		80,000	80,000
12,623	Miscellaneous		111	111
<u>116,304</u>	TOTAL EXPENDITURE		<u>103,452</u>	<u>115,754</u>
GRANTS				
2,884,960	Grants	3	676,960	1,400,000
2,267,600	Landmark projects		0	0
<u>5,152,560</u>	TOTAL GRANTS		<u>676,960</u>	<u>1,400,000</u>
5,268,864	TOTAL EXPENDITURE INCLUDING GRANTS		780,412	1,515,754
<u>(3,053,663)</u>	NET SURPLUS/(DEFICIT)		<u>1,502,636</u>	<u>487,554</u>

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

Road Safety Trust
Statement of movements in public equity
for the year ended 30 June 2006

Actual 30-Jun-05 \$	Notes	Actual 30-Jun-06 \$	Budget 30-Jun-06 \$
<u>6,569,527</u>	PUBLIC EQUITY AS AT 1 JULY 2005	<u>3,515,864</u>	<u>3,515,864</u>
(3,053,663)	Net operating surplus/(deficit)	1,502,636	487,554
<u>(3,053,663)</u>	TOTAL RECOGNISED REVENUES AND EXPENSES	<u>1,502,636</u>	<u>487,554</u>
<u>3,515,864</u>	PUBLIC EQUITY AS AT 30 JUNE 2006	<u>5,018,500</u>	<u>4,003,418</u>

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

Road Safety Trust
Statement of financial position
as at 30 June 2006

Actual 30-Jun-05 \$		Notes	Actual 30-Jun-06 \$	Budget 30-Jun-06 \$
	PUBLIC EQUITY			
3,515,864	Public equity		5,018,500	4,003,418
<u>3,515,864</u>	TOTAL PUBLIC EQUITY		<u>5,018,500</u>	<u>4,003,418</u>
	CURRENT ASSETS			
10,880	Bank		16,828	10,000
64,565	Interest accrued	1	49,263	53,083
33,333	Accounts receivable	4	137,265	33,333
20,638	GST receivable		0	20,000
2,388,790	Investments	1	5,855,417	3,382,698
<u>2,518,206</u>	TOTAL CURRENT ASSETS		<u>6,058,773</u>	<u>3,499,115</u>
	NON-CURRENT ASSETS			
2,941,866	Long term investments	1	0	1,000,000
<u>5,460,072</u>	TOTAL ASSETS		<u>6,058,773</u>	<u>4,499,115</u>
	CURRENT LIABILITIES			
1,944,208	Accounts payable	5	1,028,171	495,697
0	GST payable		12,102	0
<u>1,944,208</u>	TOTAL CURRENT LIABILITIES		<u>1,040,273</u>	<u>495,697</u>
<u>3,515,864</u>	NET ASSETS		<u>5,018,500</u>	<u>4,003,418</u>



S Sinclair
Chairperson



G J Cooper
Accountant

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

Road Safety Trust
Statement of cash flows
for the year ended 30 June 2006

Actual 30-Jun-05 \$	Notes	Actual 30-Jun-06 \$	Budget 30-Jun-06 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
1,835,745	Personalised plates	1,935,156	1,645,857
425,341	Interest	395,773	368,933
37,398	Net GST	32,740	638
0	Other Income	2,000	0
<u>2,298,484</u>		<u>2,365,669</u>	<u>2,015,428</u>
Cash was applied to:			
100,779	Payments to suppliers	102,051	107,945
6,445	Payments to Trust members	5,327	11,800
3,964,472	Grants	1,693,004	2,844,520
<u>4,071,696</u>		<u>1,800,382</u>	<u>2,964,265</u>
<u>(1,773,212)</u>	NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>565,287</u>	<u>(948,838)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
7,367,118	Investments	12,499,509	947,958
Cash was applied to:			
5,610,380	Investments	13,058,848	0
<u>1,756,738</u>	NET CASH FLOWS FROM INVESTMENT ACTIVITIES	<u>(559,339)</u>	<u>947,958</u>
<u>(16,474)</u>	NET INCREASE/(DECREASE) IN CASH HELD	<u>5,948</u>	<u>(880)</u>
27,354	OPENING BANK BALANCE	10,880	10,880
<u>10,880</u>	CLOSING BANK BALANCE	<u>16,828</u>	<u>10,000</u>

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

Road Safety Trust
Reconciliation of net surplus to net cash flows from operating activities
for the year ended 30 June 2006

Actual 30-Jun-05 \$	Notes	Actual 30-Jun-06 \$	Budget 30-Jun-06 \$
(3,053,663)	Net surplus	1,502,636	487,554
	Add non-cash items		
46,484	Amortisation of investments	34,579	0
46,484	TOTAL NON-CASH ITEMS	34,579	0
	Add/(less) movement in working capital items:		
0	(Increase)/Decrease in accounts receivable	(103,932)	0
1,197,168	Increase/(decrease) in accounts payable	(916,037)	(1,448,511)
(599)	(Increase)/decrease in interest receivable	15,302	11,482
37,398	(Increase)/Decrease in net GST	32,739	637
1,233,967	WORKING CAPITAL MOVEMENTS - NET	(971,928)	(1,436,392)
(1,773,212)	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	565,287	(948,838)

Road Safety Trust
Statement of commitments
as at 30 June 2006

The Trust has no commitments at 30 June 2006 (2004/2005 nil).

Road Safety Trust
Statement of contingent liabilities
as at 30 June 2006

The Trust has no contingent liabilities at 30 June 2006 (2004/2005 nil).

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

Road Safety Trust notes

NOTE 1 - INVESTMENTS

Road Safety Trust investments held at 30 June 2006

Current investments

Type of investment	Date invested	Interest rate	Date matured	Current investments \$	Interest accrued \$
ANZ On-call Account	30-Jun-06	7.20%	On-call	742,343	0
ANZ Term Deposit	27-Apr-06	7.49%	27-Jul-06	600,000	8,004
Government Bond ⁽¹⁾	27-May-03	8.00%	15-Nov-06	1,313,074	13,107
ASB Term Deposit	20-Jun-06	7.53%	18-Dec-06	1,000,000	2,269
ANZ Term Deposit	27-Apr-06	7.44%	27-Apr-07	1,000,000	13,249
Westpac Term Deposit	10-May-06	7.39%	10-May-07	1,200,000	12,634
Total investments				5,855,417	49,263

Road Safety Trust investments held at 30 June 2005

Current investments

Type of investment	Date invested	Interest rate	Date matured	Current investments \$	Interest accrued \$
ANZ On-call Account	30-Jun-05	6.50%	On-call	684,753	0
ASB Term Deposit	30-May-05	7.05%	29-Aug-05	500,000	3,090
BNZ Bond	22-Feb-01	7.50%	15-Sep-05	1,204,037	26,384
Total				2,388,790	29,474

Long-term investments

Type of investment	Date invested	Coupon rate	Date matured	Current investments \$	Interest accrued \$
National Bank Bond	28-Mar-02	6.87%	18-Apr-11	1,594,214	21,984
Government Bond ⁽¹⁾	27-May-03	8.00%	15-Nov-06	1,347,652	13,107
Total				2,941,866	35,091
Total investments				5,330,656	64,565

The market value of our publicly traded investment as at 30 June 2006 is:

	Face value	Market rate	Market value
Note ⁽¹⁾	\$1,300,000	6.99%	\$1,317,214

NOTE 2 - INTEREST RECEIVED

	Actual 30-Jun-06 \$	Actual 30-Jun-05 \$
Interest during the year	380,471	425,940
Less amortisation of investments	(34,579)	(46,484)
Net interest received	345,892	379,456

NOTE 3 – GRANTS

	Actual 30-Jun-06 \$	Actual 30-Jun-05 \$
Grants approved during the year	1,144,815	5,258,186
Less Grants rescinded	(363,923)	(105,626)
Less Grants to be rescinded (Under review with organisations)	(103,932)	0
Net Grants for the year	676,960	5,152,560

Rescindments occur where approved grants need to be reversed because they have not been taken up by the organisation.

NOTE 4 - ACCOUNTS RECEIVABLE

	Actual 30-Jun-06 \$	Actual 30-Jun-05 \$
Trade Debtors	194,918	33,333
Less provision for doubtful debts	(57,653)	0
Total	137,265	33,333

NOTE 5 - ACCOUNTS PAYABLE

	Actual 30-Jun-06 \$	Actual 30-Jun-05 \$
Grants approved before 30 June 2006 but unpaid	999,076	1,911,187
Trade Creditors	29,095	33,021
Total	1,028,171	1,944,208

NOTE 6 - FINANCIAL INSTRUMENTS

The Trust is party to financial instrument arrangements as part of its everyday operations. These financial instruments include instruments such as bank balances, accounts receivable and accounts payable.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Trust, causing the Trust to incur a loss.

The Trust has a minimal credit risk in its holdings of various financial instruments. These instruments include cash, bank deposits, and accounts receivable.

The Trust places its investments with institutions that have a high credit rating. It also reduces its exposure to risk by limiting the amount that can be invested in any one institution. The Trust believes that these policies reduce the risk of any loss which could arise from its investment activities. The Trust does not require any collateral or security to support financial instruments.

There is no significant concentration of credit risk.

Interest risk

The Trust is primarily a short-term investor and as such carries any interest rate risk itself.

Fair value

The fair value of corporate bond investments is based on current market interest rates for investments of similar terms of maturities. These are disclosed under Note 1.

The fair value of other financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Trust 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 the related party disclosure.

The membership of the Trust includes the Chief Executive of Land Transport New Zealand. The Trust provides funding to Land Transport New Zealand for the provision of administrative support, which totalled \$80,000 for the year ended 30 June 2006 (2004/2005 \$80,000).

A portion of the Trust's resources is used to support road safety research, which is overseen by a Technical Advisory Committee. Funding for this research is covered by a memorandum of understanding between the Trust and Land Transport New Zealand. The Trust approved funding of \$350,000 for the Technical Advisory Committee during the year ended 30 June 2006 (2004/2005 \$200,000).

The Trust agreed to support the Road Safety Trust innovation awards with a \$138,710 grant (2004/2005 \$112,705). These awards are a joint initiative involving Land Transport New Zealand, Accident Compensation Corporation and the New Zealand Police. Implementation of the awards is being project managed by Land Transport New Zealand.

NOTE 8 - TRUSTEES' FEES

	Actual 30-Jun-06 \$	Actual 30-Jun-05 \$
The Trustees earned the following fees during the year		
S Sinclair (Chair)	1,120	1,120
Y Johanson	1,000	1,000
T Knight	0	500
D Wright	0	1,000
Total	2,120	3,620

NOTE 9 - POST BALANCE DATE EVENTS

The anticipated review of the Trust's continued operations, as recommended in the Transport Sector Review, will now be undertaken in the 2006/07 financial year.

**AUDIT REPORT
TO THE READERS OF
THE ROAD SAFETY TRUST'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

The Auditor-General is the auditor of the Road Safety Trust (the Trust). The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf, for the year ended 30 June 2006.

Unqualified opinion

In our opinion the financial statements of the Trust on pages 20 to 30:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Trust's financial position as at 30 June 2006; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 13 October 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Trustees and the Auditor

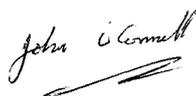
The Trustees are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Trust as at 30 June 2006. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The Trustees' responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Trust.



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Road Safety Trust for the year ended 30 June 2006 included on the Road Safety Trust's web site. The Trustees are responsible for the maintenance and integrity of the Road Safety Trust's web site. We have not been engaged to report on the integrity of the Road Safety Trust's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 13 October 2006 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.