

SECTION A

OVERVIEW OF 2016/17



CHAIR'S FOREWORD

A modern, well-functioning transport system is crucial for New Zealand to thrive. The Government's focus is on making sure the transport system is safe, supports economic growth and productivity, and provides the best value for money. The NZ Transport Agency is responsible for delivering this system, which it achieves through the goals and priorities that underpin its strategic direction, as well as through the National Land Transport Programme that it develops every three years to shape investment in New Zealand's land transport system.

This year proved to be testing for the Transport Agency as a number of natural events that devastated communities throughout the country put major stress on the nation's transport system. The most prominent of these was the November 2016 Kaikōura earthquake, which severely affected a vital connection for the Kaikōura community, as well as those travelling between Marlborough and Canterbury. The Transport Agency worked as quickly as possible with the local community and its transport sector partners to restore access to the affected communities and provide alternative routes for travellers. Completing the restoration of State Highway 1 remains a top priority for the Transport Agency in 2017/18.

The Transport Agency also responded to significant land slips and geological instability that closed the Manawātū Gorge in April 2017. Work was urgently undertaken to improve the Saddle Road alternative route to ensure the safety of road users. The Transport Agency will continue to work with the affected communities and our partners to explore the best options for a long-term solution to this critical regional connection.

Despite the unexpected disruptions, this report demonstrates that the Transport Agency managed to continue its strong delivery against its strategy for 2016/17. Investments made through the 2015-18 National Land Transport Programme were an important part of this success and are presented in the annual report for the National Land Transport Fund.

A major focus for the Board was overseeing the delivery of the Roads of National Significance and the Crown-funded programmes that the Transport Agency and its partners deliver on behalf of the Government: the Urban Cycleways Programme, the Accelerated Auckland Transport Programme and the Accelerated Regional Transport Programme. With only a few exceptions, these programmes continue to run to plan, and several major milestones were achieved in 2016/17.

Leveraging its leadership role and close relationships with the sector, the Transport Agency collaborated widely to support growth in urban areas, particularly Auckland, and provide residents with better transport choices and connections, primarily through public transport. This collaboration also extended to the regions, where the Transport Agency worked with local authorities to facilitate economic development, improve road safety and upgrade connections for freight and tourism.

The Transport Agency continued to take steps to improve regulations to reduce costs for transport users, shape smart choices that encourage willing compliance, and facilitate freight efficiency. As the rail safety regulator, the Transport Agency also made significant ground targeting interventions based on the risk of operations and operators.

The Transport Agency's commitment to value for money was evident in its work with local government partners to improve maintenance activities and planning, to deliver improved customer experiences.

This year, the Board welcomed two new members, Mark Darrow and Vanessa van Uden, who were appointed by the Minister of Transport in April 2017. On behalf of the Board and Management, I also wish to express the Transport Agency's gratitude to Gill Cox and Mark Oldfield, whose terms ended in 2016/17, for their significant contribution to New Zealand's land transport system.

The Transport Agency also undertook a review of its strategic direction to ensure it was capable of addressing the rapid changes that are occurring in the transport sector globally. The result of this review was the adoption of a refreshed strategy for 2017/18 onwards. The Board is passionate about this new direction and believes it will position the Transport Agency to continue its success in the years to come.



This year proved to be testing for the Transport Agency as a number of natural events that devastated communities throughout the country put major stress on the nation's transport system.

Chris Moller

CHRIS MOLLER
Chair

CHIEF EXECUTIVE'S OVERVIEW

Transport plays a vital role in people's lives and livelihoods. It connects people, communities and businesses, helps the economy to grow, is easy to use and keeps people safe. I am pleased to be leading an organisation that is a part of creating great journeys that keep New Zealand moving.

The natural events that occurred this year, particularly the Kaikōura earthquake and slip in the Manawatū Gorge, had massive impacts on the transport system. In all cases, our team has worked tirelessly with our partners to restore connections for these communities and those travelling through these areas. These incidents have made clear the importance of having a resilient transport system that can cope with planned and unplanned events. This year, we also continued to embed resilience considerations throughout our work programme, moving us closer to a more resilient state highway network.

In addition to our response to the natural disasters, we delivered effectively on the milestones that we committed to in our Statement of performance expectations 2016/17 and delivered a range of initiatives that contribute to the Government's priorities for land transport — economic growth and productivity, road safety and value for money.

This year marked the second year of delivery for the 2015–2018 National Land Transport Programme. Most of the Roads of National Significance programme continues to run to plan and we achieved several milestones this year, including completing one of New Zealand's largest ever infrastructure projects — the Waterview Tunnel — which has had a large impact on the way people and freight move around Auckland. Two-thirds of the Urban Cycleways Programme is now complete or under construction, which is making cycling a more attractive transport and recreation option nationwide.

Delivering a transport system that meets the needs and expectations of New Zealand's communities is not something we can achieve on our own.

This year, we worked with Auckland Transport to plan for the city's future transport needs through the Supporting Growth - Delivering Transport Networks programme, which covers the four greenfield growth areas. We also continued our strong focus on addressing Auckland's growth through the Accelerated Auckland Transport Programme, which continued to run to plan and met most of its annual deliverables, including completion of stage 1 of the East West Connection.

We also supported our regional local government partners to boost economic development and access to social opportunities by delivering the transport activities in five Regional Economic Growth Action Plans (for Bay of Plenty, Gisborne, Hawke's Bay, Manawatū-Whanganui and West Coast). There was good progress this year to support the regions through the continued construction of the first tranche of projects for the Accelerated Regional Transport Programme, including completion of the Normanby Overbridge Realignment in Taranaki and the start of construction on the new Kawarau Falls Bridge near Queenstown. These projects will support economic growth in the regions, improve road safety and upgrade connections for freight and tourism.

Integrating digital technology with physical infrastructure offers a great opportunity to innovate. To ensure that New Zealand is in a position to benefit from these emerging transport technologies, this year we completed three successful technology trials. These included working with our transport sector partners to use Bluetooth® to provide real-time in-car messaging in select South Island rental cars to help improve safety outcome in remote areas, particularly for tourist drivers.

We are also committed to helping New Zealanders make choices that lessen the impact of the transport system on the environment. This includes not only our investments in walking and cycling infrastructure and public transportation, but also our efforts to facilitate the uptake of electric vehicles. This year, we revised the regulatory framework for electric vehicles and provided national information and guidance on public charging infrastructure to create consistency across local government and the transport sector.

More achievements are detailed in this annual report - from our work to improve safety on the rail network and improving freight productivity through changes to vehicle regulations, to making it easier for customers to pay their tolls online and reducing compliance costs for businesses by beginning to integrate the New Zealand Business Number into our systems and processes.



Delivering a transport system that meets the needs and expectations of New Zealand's communities is not something we can achieve on our own.

The safety of the transport system and minimising any personal harm that it might cause is always a significant focus for the Transport Agency. Sadly, the number of deaths and serious injuries on open roads increased this year. Reversing this result will be a major challenge, but we are committed to working with our partners to ensure we make the transport system safer. This includes continued implementation of the Safer Journeys Action Plan 2016–2020, to enable safe transport choices.

The focus on safety extends to the Transport Agency's employees and contractors and is a key element of our business performance. We remain committed to the objective of the Zero Harm Strategy where by 2020, or sooner, all our people will go home safe and healthy every day.

Finding better ways to address difficult problems, so that the transport system supports and enables a thriving New Zealand, was a driving factor in our decision this year to review our strategic direction and operating model. After a thorough review a refreshed strategy, culture and operating model went into effect on 3 July 2017.

These changes will position us to respond to our rapidly changing world, focus on continuing to improve the way we operate and create a better performing transport system. We must continue to deliver value, not just in terms of transport outcomes, but social, economic and environmental outcomes that will help shape a better future for New Zealand. To do this, we will:

- transform land transport system performance by integrating digital technology with physical infrastructure to create a safe, connected system that works for everyone
- simplify our customers' lives and our partners' work with innovative services and experiences that make it easy for them to do what they need to
- unlock social and economic opportunities for customers, businesses and communities through targeted partnerships.

The Transport Agency is looking ahead to ensuring we help to create a modern, safe transport system that positively impacts the lives and livelihoods of all New Zealanders and helps to move New Zealand forward.



FERGUS GAMMIE
Chief Executive



We must continue to deliver value, not just in terms of transport outcomes, but social, economic and environmental outcomes that will help shape a better future for New Zealand.
