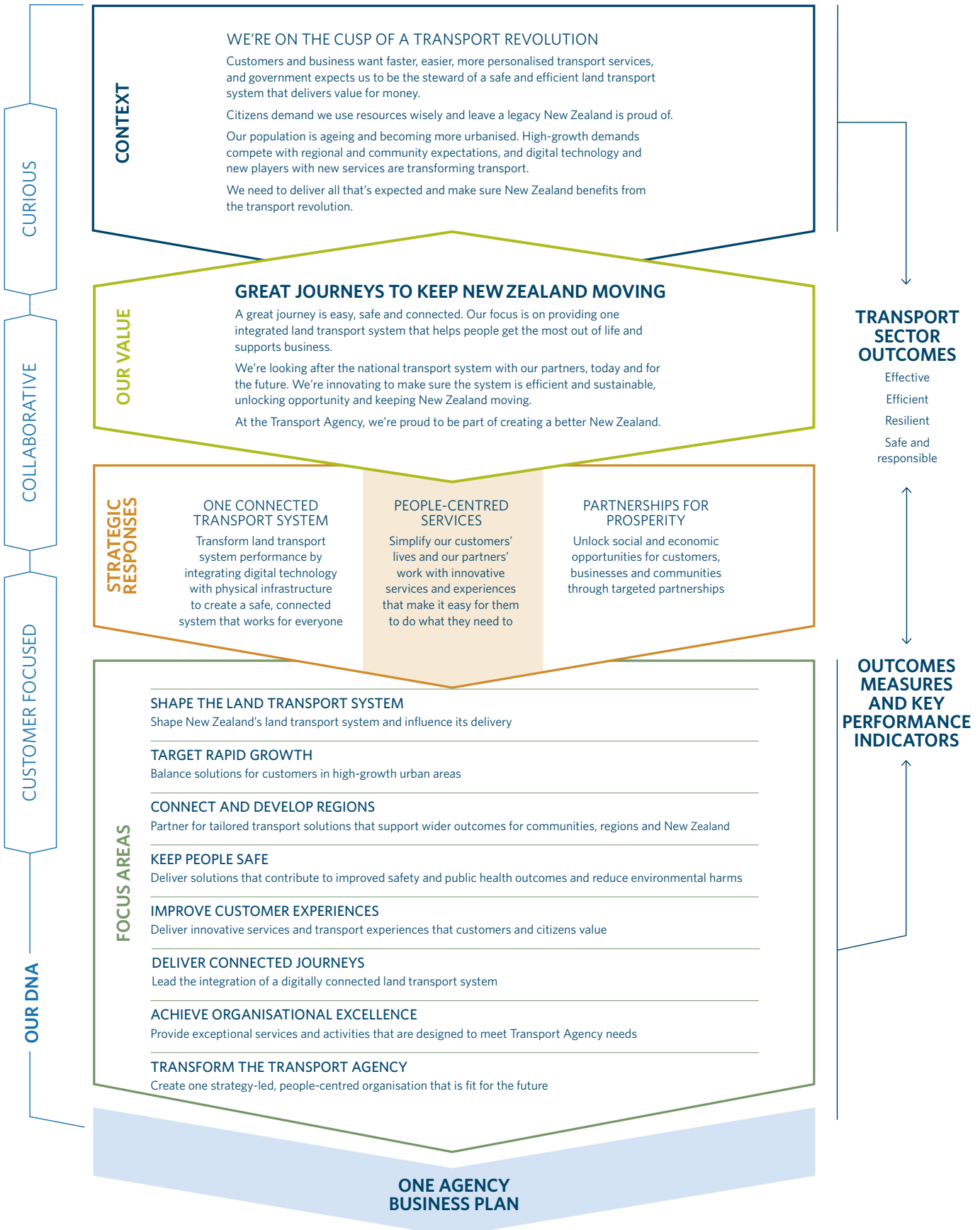


DELIVERING OUR STRATEGY



OUR STRATEGY IN 2017/18



OUR CONTEXT – We're on the cusp of a transport revolution

Our context describes drivers of change in our operating environment, including long-term trends and government priorities for land transport investment and for New Zealand. Our current context is one of change and disruption that is revolutionising the transport system.

Our strategy positions us to respond to our context and to make sure everyone benefits from the transport revolution.

OUR VALUE – Great journeys to keep New Zealand moving

Our value is an enduring statement of why we do what we do. With national scale, regional presence and a wide set of functions, we are uniquely placed to partner with others for a transport system that keeps New Zealand moving.

STRATEGIC RESPONSES

Our strategic responses – a system response, a service response and a community response – describe the three big changes we need to make in the next five years to respond to our context, deliver value for customers and citizens, and ensure everyone benefits from the transport revolution.

One connected transport system

We're moving from transport network thinking to system thinking. We will be integrating digital and physical infrastructure to deliver a smart, safe and connected transport system that works for everyone. We'll be harnessing technology to transform the performance of the land transport system and the customer experience.

People-centred services

We're shifting from an inside-out view that addresses our processes and products, to an outside-in and customer insight-led view so we work with customers and partners to make it simpler for them to do what they need to.

Partnerships for prosperity

We're extending our focus from transport outcomes to a 'whole-of-government' view, leveraging transport system resources to drive wider social, economic and environmental outcomes. We will target partnerships where the transport system can unlock opportunities for people and communities.

FOCUS AREAS – MAKING THE THREE CHANGES

Our eight focus areas describe what we will do to make the changes signalled by our strategic responses. Each focus area has one customer-focused outcome and one or more key performance indicators to measure progress.

Through our focus area *Shape the land transport system* we will work with partners and stakeholders to ensure transport sector decision-making, investment, and regulatory and policy interventions are based on a shared, long-term and evidence-based view of the land transport system. This focus area sets the overall direction for all our activities. *Target rapid growth* recognises that a new approach is needed to keep our growing urban areas moving. *Connect and develop regions* recognises that regional challenges and needs are different and that transport is a key enabler of wider outcomes. *Keep people safe* provides specialist direction for safety. *Improve customer experiences* recognises that we need to use customer insight to provide customers with more flexible, innovative and easy-to-use services and processes. *Deliver connected journeys* aims to harness existing and new technologies to deliver more for customers and get the best out of the transport system.

Two focus areas address what the Transport Agency needs to do internally to ensure it can deliver its strategy. *Achieve organisational excellence* focuses on ensuring we have the right people, systems and processes to deliver for customers and New Zealand. *Transform the Transport Agency* provides a short, sharp focus for embedding the new ways of working, thinking and behaving required for us to deliver our strategy.

DEFINITIONS

In our strategy we refer to customers and citizens – both are important to us.

‘Citizen’ reminds us that we are here to serve people and get the best return on their investment in government.

‘Customer’ reminds us that the experience people have of New Zealand’s transport system is defined by individual touch-points and how well these are designed to meet customer needs.

Customer

When we say ‘customers’ we mean people who:

- are directly experiencing our products or services
- tell us how we’re doing and how we can improve our service delivery
- interact with us for a specific purpose and period.

Citizen

When we say ‘citizens’ we mean people:

- in the wider community who are entitled to a return on their investment in government
- who have a say in what we do and who hold us to account on our overall outcomes
- who we (as part of the government) are here to serve
- with whom we aim to have an enduring relationship.

Stakeholders

When we say ‘stakeholders’ we mean a person, group or organisation that has an interest or can either affect or be affected by the Transport Agency’s actions.

Our stakeholders connect with us through a variety of roles, whether as partners, suppliers, industry representatives, customers or citizens (or a combination of these roles).

OUR PROGRESS THIS YEAR

This section reports our performance against our *Statement of intent 2017-21* and *Statement of performance expectations 2017/18*.

INTEGRATED PERFORMANCE INFORMATION

This year's annual report integrates strategic performance information (for our focus areas) with performance information for our output classes (the activities we are funded to deliver and the activities that we invest in using the National Land Transport Fund).

Under each focus area is a performance summary, followed by detailed results on key performance indicators, significant activities and output classes. Not every focus area is connected to output classes, but all of our output classes contribute in some way to our focus areas.

The following information forms our statement of performance (required under section 153 of the Crown Entities Act 2004).

Output class	Page
SHAPE THE LAND TRANSPORT SYSTEM	12
Investment management	15
Road user charges collection, investigation and enforcement	17
Refund of fuel excise duty	18
TARGET RAPID GROWTH	20
State highway improvements	24
State highway maintenance	26
Walking and cycling	28
Public transport	30
Administration of the SuperGold cardholders' scheme and enhanced public transport concessions for SuperGold cardholders	32
CONNECT AND DEVELOP REGIONS	34
Local road improvements	38
Local road maintenance	40
Regional improvements	41
Road tolling	43
KEEP PEOPLE SAFE	44
Road safety promotion	48
Licensing and regulatory compliance	49
Motor vehicle registry	52

Road policing (for which New Zealand Police is responsible) is reported on in the annual report for the National Land Transport Fund, which starts on page 171.

SHAPE THE LAND TRANSPORT SYSTEM

Shape New Zealand's land transport system and influence its delivery

WHAT ARE WE AIMING FOR?

Through *Shape the land transport system* we aim to develop a clear, shared and integrated view of New Zealand's land transport system with our partners and then identify and enable the main changes to realise that shared view. Our approach to planning and investing in the land transport system is unified, and our focus extends beyond physical infrastructure interventions.

OUTCOME

Transport sector decision-making, investment and regulatory and policy interventions are based on a shared long-term view of the land transport system

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

Collaboration with our partners is essential to our success in this focus area and understanding our partner experience is the focus of its key performance indicator. As part of developing a stakeholder engagement strategy (detailed under *Achieve organisational excellence*, page 58), we are reviewing this key performance indicator, so data is not available this year.

The Transport Agency leads and develops several instruments that shape the land transport system. The long-term view provides a clear, shared and integrated view of New Zealand's land transport system, and the National Land Transport Programme sets out how we will use the National Land Transport Fund to deliver on the government's priorities for land transport (set out in the Government Policy Statement on Land Transport). The annual report for the National Land Transport Fund starts on page 173.

The long-term strategic view informed regional land transport plans and laid the foundations for the National Land Transport Programme, but it was updated later than planned to align with the release of the new Government Policy Statement on Land Transport on 28 June 2018. We also began co-creating a second version of the long-term view with the Ministry of Transport and local government.

Responding to the new direction in the government policy statement has been a major focus this year. In preparing the 2018-21 National Land Transport Programme, we worked closely with local, regional and unitary authorities and other approved organisations, the Department of Conservation and the Waitangi Trust, to develop a programme of national and regional activities that responds to the policy statement and ensures our transport system meets the needs of all New Zealanders now and in the future.

Through our investment management activities, we aim to maximise the benefit of the National Land Transport Programme for New Zealand. The performance measures for this output class focus on the management of the National Land Transport Fund. They include the proportional cost of managing the fund, delivered within the annual target of no more than 1 percent, and the proportion of operational assurance activities completed, which was 98 percent (all but one planned audit).

The revenue generated from road user charges goes into the National Land Transport Fund to deliver the National Land Transport Programme and supports all our investment in the land transport system. Unit transaction costs (that is, the cost to the Transport Agency of delivering each transaction) were well within target, and demand for products and services outstretched our forecast with 1.3 million more products and services requested this year.

SHAPE THE LAND TRANSPORT SYSTEM HAS:

1 key performance indicator
page 12

3 significant activities
page 14

3 output classes
pages 15-18

KEY PERFORMANCE INDICATOR

DATA NOT AVAILABLE

PARTNER EXPERIENCE¹

Index of collaborative relationship process maturity

¹ For technical notes, see appendix 2, page 159. This key performance indicator is under review. We are developing our stakeholder engagement strategy, which will inform how we robustly measure our progress.

STRONG PARTNERSHIPS SHAPE FUTURE TRANSPORT SYSTEMS

The single best move to address Queenstown's growth problems has been the establishment of the Queenstown Transport Governance Group, says Queenstown Mayor Jim Boulton.

As a partnership between the Transport Agency, Queenstown Lakes District Council, Otago Regional Council and Queenstown Airport, the governance group has worked to identify and address the transport issues facing New Zealand's tourist mecca.

Significant progress was made in 2017/18 to improve traffic flows and reduce congestion in and around Queenstown through improved network capacity, a new \$2 fare subsidised bus service, and the use of technology, such as the Choice app, which allows customers to book their preferred mode of transport and track their journey in real time. There is also an agreed future approach for the next phase of work, and the group is already thinking about the town's needs in 2050.

The partners agree that what has been achieved would not have been possible without a coordinated approach and looking at the whole transport system, including walking and cycling and using the lake: 'that great free highway which requires no maintenance'.

Mayor Boulton says they're already talking about gondolas and monorails: 'While it might seem Buck Rogers in the 21st century now, in 20 to 30 years' time it may just well be the most logical solution.'



DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Creating a clear, shared, long-term view of the transport system

During the year, significant work was carried out to develop a clear, shared and integrated view of New Zealand's land transport system. We progressed the long-term strategic view action plan, including how it would help shape and inform the regional land transport plans and the 2018-21 National Land Transport Programme, and completed the strategic context for the first version of the long-term view. Co-creation of the second version of the long-term view is under way.


Working with our partners to give effect to the new Government Policy Statement on Land Transport

We worked closely with the Ministry of Transport and local and regional councils to develop the 2018-21 National Land Transport Programme, published on 31 August 2018, and give effect to the new direction signalled in the Government Policy Statement on Land Transport. We enhanced our capability to review regional land transport plans and to assess and prioritise activities proposed for inclusion in the National Land Transport Programme. We revised the Investment Assessment Framework and developed a way to capture the benefits realised from these investments in Transport Investment Online, our main tool for managing investment in the transport system.

We helped shape the development of regional land transport plans by establishing a support model for partners, providing tailored messages for each regional transport committee and delivering online learning modules about the National Land Transport Programme and the business case approach to over 500 users.

Preparing to enact rules for safe speeds

During the year, we prepared the Setting of Speed Limits Rule to establish a new speed-setting mechanism focused on assisting road controlling authorities to set safe and appropriate speed limits in areas where the most impact can be made. The rule was signed by the previous Minister of Transport and came into effect in September 2017. Work then continued to put this new rule into force.

THIS YEAR'S SIGNIFICANT ACTIVITIES	RESULT
1.1 Lead the co-creation of a long-term strategic view of New Zealand's land transport system that all of our partners can easily access to inform their decision-making.	DEFERRED TO ACCOMMODATE GPS
The long-term strategic view was used to inform regional land transport plans and the 2018-21 National Land Transport Programme. The update was deferred as the Transport Agency and partners responded to a new Government Policy Statement on Land Transport.	
Work has begun on the co-creation of the second version, now called the long-term view, with the Ministry of Transport and local government.	
1.2 Develop the 2018-21 National Land Transport Programme with a revised Investment Assessment Framework that gives effect to the Government Policy Statement on Land Transport, including:	DEFERRED TO ACCOMMODATE GPS
<ul style="list-style-type: none"> ▪ an increased focus on resilience ▪ support for housing development ▪ use of technology to improve the realisation of benefits ▪ clarification of the contribution of the National Land Transport Fund to reducing environmental harms. 	
The development of the 2018-21 National Land Transport Programme was deferred to align with the new Government Policy Statement on Land Transport, which represents a significant change in transport priorities. The Investment Assessment Framework was revised in June 2018 to align with the new policy statement, and the 2018-21 National Land Transport Programme was published on 31 August 2018.	
1.3 Prepare and draft the Setting of Speed Limits Rule and Driver Licensing Amendment Rule for signature by the Minister of Transport.	 ACHIEVED

DETAILED RESULTS: OUTPUT CLASSES



INVESTMENT MANAGEMENT

Delivered by the Transport Agency and funded from the National Land Transport Fund and the Crown

What do we do?

Through investment management we maximise the overall benefit of the National Land Transport Programme for New Zealand. The investment management output class covers the cost of the Transport Agency:

- developing and managing the National Land Transport Programme efficiently
- developing a shared view of planning and investing with our investment partners
- providing policy advice to the government.

To do this we invest in, provide guidance or influence:

- regional land transport plans
- land transport activity management plans, regional public transport plans, road safety action plans and procurement strategies
- programme business cases for approved organisations' land transport investments and for our own investments in the state highway network
- transport models
- land transport research.

What were our big achievements?

This year, we managed funding decisions and monitored and reported on the delivery of the 2015-18 National Land Transport Programme within our target of no more than 1 percent of the programme's expenditure.







At the same time, we spent considerable effort developing the 2018-21 National Land Transport Programme to align transport investments with the new Government Policy Statement on Land Transport. This included providing regional and local councils, New Zealand Police and KiwiRail (in consultation with stakeholders) with guidance, such as the revised Investment Assessment Framework, and assistance to develop and evaluate plans and programmes being put forward for the National Land Transport Programme.

Our research programme supports transport policy and the development and evaluation of plans and programmes that form the National Land Transport Programme. This year, we published 25 research reports addressing topics such as economic analysis, environmental impacts, assets management, technology developments and safety.

We worked with Auckland Transport, Auckland Council and other stakeholders on refreshing the Auckland Transport Alignment Project to identify funding for this investment programme and on updating the evidence base for our long-term view of New Zealand's land transport system.

How did we perform?

We achieved four of our seven performance targets for investment management and one result was not applicable this year. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Total cost of managing the funding allocation system as a % of the National Land Transport Programme expenditure	1%	0.91%	≤ 1%	-0.09%	 ACHIEVED
% of activities completed to agreed standards and timeframes (investment management)	100%	100%	100%	-	 ACHIEVED
% of operational assurance activities completed	93%	98%	100%	-2%	 NOT ACHIEVED
We completed 39 of the 40 audits planned for the year. The uncompleted audit was due to an agreed rescheduling.					
% of activities that are delivered to agreed standards and timeframes (transport planning)	75%	65%	≥ 90%	-25%	 NOT ACHIEVED
Transport planning occurs in the lead up to developing a business case. We are working to improve our forecasting of both time and cost elements of this measure.					
% of activities that are delivered to agreed standards and timeframes (sector research)	98%	100%	≥ 90%	10%	 ACHIEVED
Average number of days to deliver	11.4	17.2	≤ 20	2.8	 ACHIEVED
% customer satisfaction (approved organisations and stakeholders)	Not available ¹		New measure	-	NOT APPLICABLE

¹ No stakeholder survey was undertaken this year.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	60,743	62,241	(1,498)	61,553
Expenditure	60,743	62,241	1,498	61,553
Net surplus/(deficit)	0	0	0	0

Investment management expenditure was \$1.5 million (2.4 percent) below budget. This underspend was due to lower than planned expenditure on the sector research programme.

Offsetting variances from budget also occurred. There was more effort on planning activities to respond to the new Government Policy Statement on Land Transport and fewer resources were required for investment management activities. Transport planning expenditure by approved organisations was higher than budget as they also responded to the new Government Policy Statement on Land Transport.



ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT

Delivered by the Transport Agency and funded from the National Land Transport Fund, fees and charges, and the Crown

What do we do?

Through road user charges (RUC) collection, investigation, and enforcement we:

- collect revenue by selling RUC licences and refund RUC
- investigate evasion and enforce payment of RUC
- inform and advise the public about RUC.

The revenue from RUC goes into the National Land Transport Fund to deliver the National Land Transport Programme, supporting all of our investment in the land transport system.

What were our big achievements?

This year, we made it possible to make refunds using direct credit rather than posting bank cheques, creating a better service for our customers.

How did we perform?

We achieved all three performance targets for road user charges collection, investigation and enforcement. For technical notes, see appendix 2 on page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Unit transaction costs	\$4.05	\$3.69	≤ \$5.50	\$1.81	ACHIEVED
% of transactions completed online	63%	66%	≥ 65%	1%	ACHIEVED
Number of products or services delivered or processed	3.9m	4.3m	≥ 3m	1.3m	ACHIEVED

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	16,993	17,300	(307)	16,639
Expenditure	17,487	17,502	15	15,948
Net surplus/(deficit)	(495)	(202)	(293)	691

The road user charges output class recorded a net deficit of \$0.5 million. The deficit was higher than planned due to lower income from RUC transaction fees, which was below budget by \$0.3 million. Appropriations were as budgeted.²

Expenditure was close to budget despite lower volumes than planned. Expenditure was significantly higher than in 2016/17 because improvement programmes that were initially planned for last year (such as the ability to make refunds through direct credit) were carried out in 2017/18.

² RUC income has three revenue streams: RUC transaction fees (collected through third parties) and two appropriations, one that covers the costs of administering investigation and enforcement activity and one that covers the cost of administering RUC refunds.



REFUND OF FUEL EXCISE DUTY

Delivered by the Transport Agency and funded from the National Land Transport Fund

What do we do?

On behalf of the Ministry of Transport, we record, refund and account for fuel excise duty refund applications. Refund of this duty is an adjunct to the collection of the duty and is provided for under the Land Transport Management Act 2003. While the ability to make refunds makes no direct contribution to a Transport Agency focus area, it is included under *Shape the land transport system* as the area with the widest focus on the transport system.

What were our big achievements?

This year, we simplified the process for agents claiming fuel excise duty rebates on behalf of their customers by making it possible to transfer files electronically. We also improved our processes to remove double handling and unnecessary steps.

How did we perform?

We did not achieve our targets for refund of fuel excise duty this year. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Average number of days to deliver	Not applicable ¹	23.4 days	≤ 20 days	+3.4 days	NOT ACHIEVED

The average days to deliver fuel excise duty refunds was above target due to a 14 percent increase in the number of applications.

Number of products or services delivered or processed	71,668	81,570	≥ 130,000	-48,430	NOT ACHIEVED
---	--------	--------	-----------	---------	--------------

Our 2017/18 target included all fuel excise duty activities, but the actual volumes reported are for only refund processing. The target is being reviewed for 2018/19.

¹ The 2016/17 result was based on a different definition of the refund process and is not comparable with the 2017/18 result.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	785	823	(38)	1,161
Expenditure	785	823	38	1,161
Net surplus/(deficit)	0	0	0	0

Refund of excise duty expenditure was \$38,000 (4.6 percent) below budget and significantly lower than in 2016/17. In 2016/17, expenditure was higher because temporary staff were hired to address a backlog of queried claims and assist with the general processing of claims until the refund process was redesigned.



TARGET RAPID GROWTH

Deliver balanced solutions for customers in high-growth urban areas

OUTCOME

Improved customer experience of travel in high-growth urban areas

WHAT ARE WE AIMING FOR?

Through *Target rapid growth* we aim to significantly change the way people and businesses in high-growth urban areas manage their transport needs. This means balancing new infrastructure with travel demand management and network optimisation that make the most of digital technologies and travel information.

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

We measure progress toward our outcome of improved customer experience of travel through measures of productivity, travel-time predictability and accessibility.

Our productivity measure (that is, the proportion of the urban network's capacity being used) was relatively stable with a slight decrease from 55 percent to 52 percent. Travel-time predictability in Auckland, Wellington and Christchurch improved this year, increasing to 68 percent overall.

We introduced a new indicator for accessibility: the proportion of people in major urban centres within 500m walking distance of a frequent public transport service. With a baseline of 30 percent, we expect performance to improve as new public transport networks are delivered.

Achievements this year included partnering to report on the potential use of road pricing as a demand management tool in Auckland, agreeing to establish the Auckland Technology Transformation Group and improving mobility in and around Queenstown.

Through state highway improvements, we manage and invest in infrastructure to improve travel and safety on the network. Significant infrastructure included the Waikato Expressway and Auckland's northern and southern corridor improvements, and the Auckland Transport Package. Travel times on state highways serving Auckland, Wellington and Christchurch were maintained. However, productivity decreased, primarily due to road works.

State highway maintenance includes managing and investing in the maintenance and operation of the state highway network. We measure the quality of the network, including surface texture standards, safe stopping conditions, smooth ride conditions and network rutting (long, shallow channels generally found in wheel paths). Most targets were achieved. However, hotter than usual conditions temporarily affected some components of skid threshold measures. Severe weather events also negatively affected our measure of resilience, being the proportion of unplanned state highway closures resolved within 12 hours. However, customer satisfaction with state highways improved to 5 percentage points above target.

Through walking and cycling investments, delivery of the Urban Cycleways Programme continued, focusing on implementing primary corridors in strategic walking and cycling networks in major metropolitan and high-growth areas. A total of 79.3km of new cycling infrastructure was added to the network, including 61.8km delivered as part of the Urban Cycleways Programme.

With local and regional councils, we are working to increase patronage of public transport by investing in public transport services, technology, facilities and infrastructure. The number of passengers using public transport increased about 3 percent this year to 158 million. The SuperGold cardholders' scheme provides more transport choices for older people and improves the use of public transport during off-peak hours. SuperGold trips increased 6 percent to 13.7 million.

TARGET RAPID GROWTH HAS:

3 key performance indicators
pages 21–22

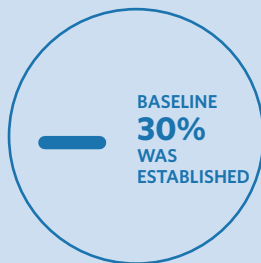
6 significant activities
pages 23–24

5 output classes
pages 24–33

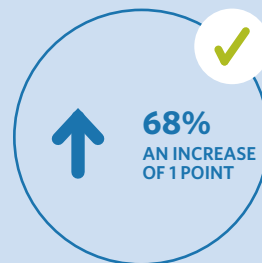
KEY PERFORMANCE INDICATORS



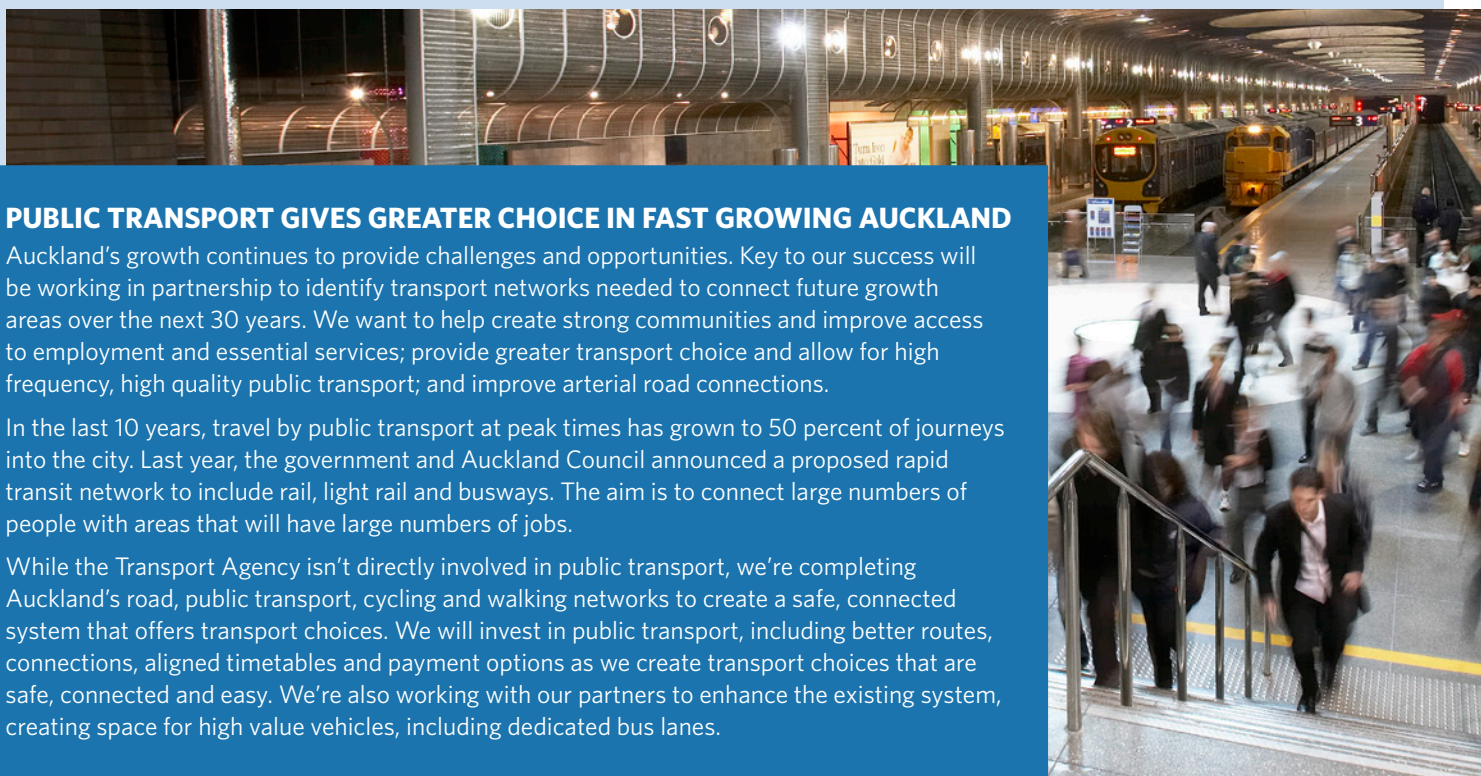
PRODUCTIVITY
Capacity of urban network being used



ACCESSIBILITY
Proportion of people with access to frequent public transport services in Auckland, Wellington and Christchurch



TRAVEL-TIME PREDICTABILITY
Urban journeys that took a predictable time



PUBLIC TRANSPORT GIVES GREATER CHOICE IN FAST GROWING AUCKLAND

Auckland’s growth continues to provide challenges and opportunities. Key to our success will be working in partnership to identify transport networks needed to connect future growth areas over the next 30 years. We want to help create strong communities and improve access to employment and essential services; provide greater transport choice and allow for high frequency, high quality public transport; and improve arterial road connections.

In the last 10 years, travel by public transport at peak times has grown to 50 percent of journeys into the city. Last year, the government and Auckland Council announced a proposed rapid transit network to include rail, light rail and busways. The aim is to connect large numbers of people with areas that will have large numbers of jobs.

While the Transport Agency isn’t directly involved in public transport, we’re completing Auckland’s road, public transport, cycling and walking networks to create a safe, connected system that offers transport choices. We will invest in public transport, including better routes, connections, aligned timetables and payment options as we create transport choices that are safe, connected and easy. We’re also working with our partners to enhance the existing system, creating space for high value vehicles, including dedicated bus lanes.

DETAILED RESULTS: KEY PERFORMANCE INDICATORS

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
Productivity	Index of network productivity	Maintain baseline 55%	Decreased 52%	95	-3%

Our productivity measure describes how much of the capacity of the urban road network is being used in March each year. Capacity is measured by the speed and flow of vehicles on the urban network. It remained relatively stable this year, with a small decrease compared with the March 2016 baseline.

Accessibility	Proportion of people with access to frequent public transport services in Auckland, Wellington and Christchurch	Set baseline (to increase in 2018/19)	30%	Not applicable	Not applicable
----------------------	---	---------------------------------------	-----	----------------	----------------

Our accessibility measure is a new measure and focuses on Auckland, Wellington and Christchurch. We expect accessibility to increase as new public transport networks are delivered. This indicator will also be influenced by urban development, particularly by the location of housing. If populations grow in areas with frequent public transport, then this indicator will increase. If populations grow outside those areas, this indicator will decrease.

Travel-time predictability	Index of travel-time predictability	Maintain Baseline 67.4% ²	Increased 68%	101	+1%
-----------------------------------	-------------------------------------	--------------------------------------	---------------	-----	-----

Overall, the percentage of road trips in the urban centres of Auckland, Wellington and Christchurch that took a predictable time to complete increased slightly. Data for this measure is gathered in March, the heaviest time of the year for traffic.

Travel-time predictability in Auckland increased by 4 percent in the last two years with the opening of the Waterview Tunnel in July 2017. We expect travel-time benefits from the project to be fully realised much later as ongoing roadworks remain, including the Auckland Manukau Eastern Transport Initiative and the State Highway 20 to Papakura and State Highway 20A Kirkbride Road, Southern Motorway (State Highway 1 from Manakau to Papakura) and City Rail Links projects.

Predictability in Wellington was relatively steady at 71 percent (from 70 percent in 2016).

In Christchurch, travel-time predictability decreased from 74 percent in March 2016 to 71 percent this year. This decrease, however, is a significant improvement from 65 percent in the previous year because of travel disruptions following the Kaikōura earthquake. The recovery in travel-time predictability this year was a result of the reduction of roadworks as Stronger Christchurch Infrastructure Rebuild Team activities shifted to mostly underground works on smaller local roads and the completion of State Highway 1 Belfast Bypass and increased speed limits along State Highway 76 between State Highway 74A and Lyttelton Tunnel.

¹ 'Frequent' is defined as scheduled for at least every 15 minutes during the weekday peak period (from 7am to 9am).

² This figure has been adjusted from the published baseline of 69.7% in the *Statement of performance expectations 2017/18*. Because data on travel time predictability for public transport was not available, we could not produce the 2017/18 result using the same method as used for the baseline figure. We have adjusted our method and the baseline to exclude public transport, and work is under way to identify appropriate public transport data.

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Optimising Auckland's transport system

We collaborated with the Ministry of Transport and Auckland Transport to report on the potential use of road pricing as a demand management tool in Auckland. We are providing governance support and are actively involved in the policy and technical analysis of potential congestion pricing options for Auckland. This analysis takes into account the shifting context of the Auckland Regional Fuel Tax and planned increases in fuel excise duty and RUC.

In conjunction with Auckland Transport and the Auckland Council, we developed a traffic management and investment prioritisation framework for Auckland that can also be applied to other urban areas. We also worked with Auckland Transport to focus on ways to optimise Auckland's existing transport system to improve the performance of key urban routes and provide customers with predictable and reliable journeys.

Harnessing technology

In conjunction with Auckland Transport, we agreed to establish the Auckland Technology Transformation Group. This group aims to improve customer experiences by enabling Auckland's transport system to use advances in digital technology and prepare the city for advances in vehicle technologies. A road map will be developed to guide the delivery of digital transport systems in the regions.




Improving Queenstown traffic flow




The first of three projects to improve mobility in and around Queenstown was completed by the Queenstown Transport Governance Group, which is a partnership between the Transport Agency, Queenstown Lakes District Council, Otago Regional Council and Queenstown Airport. These projects will improve traffic flows and relieve congestion, as well as promote the use of public transport and make walking and cycling easier. We are also working with the Queenstown Lakes District Council on land-use development to support better transport choices.

Delivering major transport infrastructure

We continued to deliver important highways across the country, such as the Waikato Expressway, Western Ring Route and Auckland's northern and southern corridor improvements, and the Auckland Transport Package.

We also focused on implementing walking and cycling infrastructure on primary corridors in strategic walking and cycling networks in major metropolitan and high-growth areas, particularly Auckland, Wellington, Christchurch, Hamilton, Queenstown and Whāngārei. These projects aim to improve safety for people walking and cycling and increase travel choices, in particular, to access social and economic opportunities.

THIS YEAR'S SIGNIFICANT ACTIVITIES		RESULT
2.1	Support the Ministry of Transport in its role to investigate the introduction of road pricing as a demand management tool in Auckland.	 ACHIEVED
2.2	Develop a framework in conjunction with Auckland Transport that uses traffic management and investment prioritisation to improve the productivity and flow of agreed urban routes in Auckland and that could be applied to other urban areas.	 ACHIEVED
2.3	Establish the Auckland Technology Transformation Group in conjunction with Auckland Transport and agree a roadmap for delivering digital transport systems in the region.	 ACHIEVED

2.4	Lead the design and development of businesses cases for transport interventions identified by the Auckland Transport Alignment Project.	 ACHIEVED
2.5	Deliver significant capital projects to schedule (including the Roads of National Significance and Urban Cycleways Programmes).	 SUBSTANTIALLY ACHIEVED
<p>Capital projects that contribute to <i>Target rapid growth</i> ran largely to schedule this year. Two of the Roads of National Significance projects were behind schedule: public consultation on the Warkworth to Wellsford section of Pūhoi to Wellsford was paused because of the new Government Policy Statement on Land Transport and poor weather delayed the Hamilton section of the Waikato Expressway. Under the Auckland Transport Package, State Highway 20A to Airport was substantially completed.</p> <p>Progress on delivering the Urban Cycleways Programme has been slower than planned, particularly in the large urban centres where reprioritisation and the need to align with other projects has caused delays.</p> <p>Appendix 1, page 152 provides further detail on individual projects.</p>		
2.6	Develop a programme of activities to provide travel choices to customers in areas under pressure from growth.	 ACHIEVED



STATE HIGHWAY IMPROVEMENTS

Delivered by the Transport Agency and funded from the National Land Transport Fund and the Crown

State highway improvements also contribute to the *Connect and develop regions* (page 34) and *Keep people safe* (page 44) focus areas.

What do we do?

Through state highway improvements, we manage and invest in infrastructure (roads, roadsides, and walking and cycling facilities), in socially and environmentally responsible ways, to reduce the number and severity of crashes and improve travel on the network. This contributes to reducing congestion, enabling more efficient freight supply chains, and creating a safer, more resilient transport system.

What were our big achievements?

Most of our state highway programme ran to plan this year. (For more detail, see appendix 1, page 152.)

Construction ran on or ahead of schedule for three of the four Auckland Transport Package projects. Five of the six improvement projects initiated under the Roads of National Significance Programme were on or ahead of schedule. These included:


- starting construction on the Pūhoi to Warkworth section of Pūhoi to Wellsford
- making good progress on the construction of the Lincoln to Westgate section of the Western Ring Route
- opening the Rangiriri section of the Waikato Expressway while continuing construction on the Huntly and Hamilton sections and the final section (Longswamp)
- continuing construction on the Transmission Gully section and starting construction on the Peka Peka to Ōtaki section of the Wellington Northern Corridor
- opening, on Christchurch Motorways, the Western Belfast Bypass and Harewood Road to Yaldhurst Road to traffic and continuing construction on the Southern Motorway Stage 2 and the Northern Corridor.

We also delivered over 800 minor improvements (now known as low-cost, low-risk projects), a 30 percent increase from last year. These projects are subject to a simpler and faster assessment process, so we can respond quickly to transport issues. Of these projects, more than 75 percent focused on improving safety.

How did we perform?

We did not achieve our target for state highway improvements.







For technical notes, see appendix 2, page 159.

SERVICE DELIVERY	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
% of activities delivered to agreed standards and timeframes	85%	86%	≥ 90%	-4%	 NOT ACHIEVED

The delivery of activities to agreed standards and timeframes was below target, primarily due to delays to the construction phase of some projects. Many of these projects were hampered by poor spring and summer weather conditions. This was particularly an issue for major earthworks throughout the country (for example, the Hamilton section of the Waikato Expressway, where poor weather and saturated ground conditions in two consecutive construction seasons has resulted in significant delays and the loss of an earthworks season).


There were also some delays to the start of new projects, mainly due to the change in government and the need to align the Transport Agency Investment Proposal with the new Government Policy Statement, which required a re-evaluation of some projects' scope against the statement's objectives (for example, Warkworth to Wellsford, East West Link and Ōtaki to Levin). The re-evaluation will be undertaken and completed by December 2018. Progressing through the early phases (planning, designing and consenting) of projects continued to present challenges and remains an important focus.

Four of our seven investment measures achieved the desired trend or target. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Average travel times on key state highways serving major metropolitan areas (morning peak)		Maintained ¹	Maintaining ²		
Auckland	1.1 min/km	1.1 min/km	1.1 min/km	-	 ACHIEVED
Wellington	1.2 min/km	1.2 min/km	1.2 min/km	-	 ACHIEVED
Christchurch	1.4 min/km	1.3 min/km	1.4 min/km	-0.1min/km	 ACHIEVED
Productivity of the state highway network in major metropolitan areas (morning peak)		Decreased	Maintaining		
Auckland	59%	59%	≥ 62%	-3%	 NOT ACHIEVED
Wellington	63%	60%	≥ 63%	-3%	 NOT ACHIEVED
Christchurch	33%	34%	≥ 35%	-1%	 NOT ACHIEVED

Productivity measures how much of the capacity of the urban road network is being used by comparing the actual speed and flow of traffic with the optimal speed and flow of traffic. Overall, targets in Auckland, Wellington and Christchurch were not met.

Productivity in Auckland remained at 59 percent. In Wellington, productivity decreased due to increased traffic leading to the Basin Reserve and Mt Victoria Tunnel and through Ngāūranga Gorge due to roadworks. Productivity also decreased between Paekakariki and Pukerua Bay and on State Highway 2 in Upper Hutt around Moonshine Road. In Christchurch, while productivity was slightly below target, travel speed in several locations increased, particularly along State Highway 1 and 74 in the vicinity of the new Belfast Bypass and north of the Lyttelton Tunnel.

% of state highways available to high productivity motor vehicles	49%	62% ³	≥ 45%	-	 ACHIEVED
---	-----	------------------	-------	---	---

¹ The measure represents change in travel time per kilometre travelled. For example, a change of 0.1 between years would represent an increase of six seconds per kilometre travelled.

² The targets for Wellington and Christchurch were interchanged in the NZ Transport Agency *Statement of performance expectations 2017/18*. We are reporting against the correct targets here.

³ The data source changed, so this result is not comparable to that in the previous year.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	1,809,357	1,862,257	(52,900)	1,465,576
Expenditure	1,809,357	1,862,257	52,900	1,465,576
Net surplus/(deficit)	0	0	0	0

Some non-cash capital and operating expenses presented in the financial statements are not included in the figures. They are expenditure for:

- depreciation and state highway write offs of \$393.3 million (2016/17: \$378.1 million)
- assets vested to local authorities of \$0 million (2016/17: \$18.4 million)
- other expenses of \$4.7 million (2016/17: \$2.1 million).

State highway improvements expenditure was \$53 million (3 percent) below budget, primarily driven by programme slippage on the Waikato Expressway as a result of poor weather, the Wellington Northern Corridor, due to delays in securing several consents and re-scoping of the East West Link project.



STATE HIGHWAY MAINTENANCE

Delivered by the Transport Agency and funded from the National Land Transport Fund

State highway maintenance also contribute to the *Connect and develop regions* (page 34) focus area.

What do we do?

Through state highway maintenance, we manage and invest in maintaining and operating the state highway network. We follow a rigorous approach so our state highways are safe, resilient and reliable for our customers to travel on.

What were our big achievements?








Our top priority this year was delivering maintenance and resilience works to provide an alternative route between Picton and Christchurch while repairing unprecedented earthquake damage to State Highway 1 north and south of Kaikōura. The damaged coastal route, a lifeline to the local community, was reopened for day-time access on 15 December 2017 with full access achieved on 30 April 2018.

To maintain the condition of state highways across New Zealand, we delivered 1,550km of pavement renewals, including chip sealing, pavement rehabilitation and pavement strengthening.



We made sure Network Outcomes Contracts were in place and running smoothly for all suppliers of state highway maintenance and operations activities. These contracts, which sometimes extend to local roads through joint ventures with local councils, focus on delivering consistent levels of service for our customers. By working with our suppliers and councils, we can all make better decisions, keep our customers well informed and get the best value from our investment. This year, our assessments found that over 80 percent of our suppliers were performing at 'best practice' or 'outstanding' against the key performance indicators.

How did we perform?

We achieved five of our seven targets for state highway maintenance. For technical notes, see appendix 2, page 159.

SERVICE DELIVERY	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
% of activities delivered to agreed standards and timeframes	97%	90%	≥ 90%	-	 ACHIEVED
Safe stopping: % of network meeting surface texture standards	99%	99%	≥ 98%	+1%	 ACHIEVED
Network resilience: % of rutting ≥ 20mm over state highway network	1%	1%	3%	-2%	 ACHIEVED
Safe stopping: % of network above skid threshold	98%	95%	≥ 98%	-3%	 NOT ACHIEVED
A hotter than usual summer meant that road surfacing binder softened and was tracked along the road by car tires, temporarily affecting the result of skid resistance tests. The binder wears off through general road use.					
Smooth ride: % of travel on network classed as smooth	99%	99%	≥ 97%	+2%	 ACHIEVED
Availability of state highway network: % of unplanned road closures resolved within 12 hours	86%	82%	≥ 90%	-8%	 NOT ACHIEVED
The main cause for road closures that lasted beyond 2 hours on the urban network and 12 hours on regional routes was weather. Events such as avalanche risk, flooding, slips, snow and ice, and strong winds contributed to 64 percent of these closures. Severe weather events this year included Cyclone Gita, Cyclone Fehi, and floods across Northland, Coromandel and Tasman.					
% customer satisfaction	54%	55%	≥ 50%	+5%	 ACHIEVED

One of our three investment measures for state highway maintenance achieved its target, one didn't achieve its target and one was not available this year. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Surface condition of the sealed network	Not available	Not available	New measure	-	-
Smooth ride: % of travel on smooth roads	99%	99%	≥ 98%	+1%	 ACHIEVED
State highway maintenance cost per lane kilometre expenditure ¹	\$19,284	\$24,705 ²	≤ \$21,400	+\$3,305	 NOT ACHIEVED

This measure is calculated by dividing the amount spent on the maintenance of state highways by the total number of kilometres in the network. Because we worked on more kilometres of maintenance this year, the total cost and the cost per lane kilometre are higher. Increased renewals accounts for \$2,800 of the increased cost per kilometre. A further \$1,800 per kilometre arose from work on the alternative and inland route required as a result of the Kaikōura earthquake. The first full year of maintenance costs for the Waterview Tunnel accounts for \$400 per kilometre.

Costs per lane kilometre are above target largely due to higher than anticipated maintenance and operations required in response to the Kaikōura earthquake.

¹ This measure aspires to capture cost per lane kilometre expenditure by road classification. However, it has not been possible to assess cost by road classification. The cost of maintenance is recorded through 23 work categories. While some of the work categories can readily be assigned to sections of road, many types of work do not readily link to road class. For example, costs such as for lighting or measuring road roughness are managed at a network level. While the long-term intention is to assess cost by road class, several changes to management processes and accounting systems are needed before the long-term intention can be met. We will continue reporting road maintenance costs on an aggregated kilometre cost basis until data becomes available on a functional classification basis.

² This figure has been adjusted for inflation based on the network outcomes index.

	ACTUAL 2017/18 \$000 ¹	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	1,168,494	921,000	247,494	652,121
Expenditure	1,168,494	921,000	(247,494)	652,121
Net surplus/(deficit)	0	0	0	0

¹ Includes Crown-funded emergency works following the Kaikōura earthquake.

State highway maintenance expenditure was \$247 million (27 percent) above budget. The budget allowed for \$325 million of repair and reinstatement works on State Highway 1 as a result of the Kaikōura earthquake. To open the road by December 2017, a further \$125 million was transferred by the Crown from 2018/19. In total, \$433 million was spent to reopen State Highway 1 to day-time access in December 2017 and full access from 30 April 2018.

While State Highway 1 was repaired, the additional demands placed on the alternative route between Picton and Christchurch and Route 70 (the inland route) meant significant maintenance and renewals work was required. Traffic volumes in some instances rose by over 1,000 percent across these routes and \$77 million of additional maintenance costs were incurred.

Other emergency works also had a significant impact on expenditure. Severe weather events including Cyclone Gita, Cyclone Fehi, and floods across Northland, Coromandel and Tasman, resulted in additional expenditure of \$30 million.



WALKING AND CYCLING

Invested in by the Transport Agency, delivered by local authorities and funded from the National Land Transport Fund and the Crown

Walking and cycling also contribute to the *Keep people safe* (page 44) focus area.

What do we do?

Through walking and cycling, we invest in new and improved walking and cycling infrastructure (for transport purposes) as well as in community education and promotion, including the delivery of the Urban Cycleways Programme.

Walking and cycling infrastructure includes cycle paths, cycle lanes, new footpaths, services for crossing roads and cycle parking facilities. New facilities that are a part of a road are funded through investments to improve road networks, rather than through walking and cycling investment.

Walking and cycling investment creates safer and more accessible infrastructure and transport networks, gives our customers more transport choices, relieves congestion and reduces the environmental impact of transport. It also supports better health by enabling more people to walk and cycle.

What were our big achievements?

This year, we focused on implementing primary corridors in strategic walking and cycling networks in major metropolitan and high-growth areas. More detail on specific projects under the Urban Cycleways Programme is in appendix 1, page 152.

In Auckland, the Waterview Shared Path connecting the Waterview, Ōwairaka and New Windsor communities was completed. Progress continued on the Northcote Safe Cycle Route, providing a safer environment for people walking and biking, including children travelling to school. According to Auckland Transport's active modes research, 38 percent of people are riding bikes in 2018, an increase of 3 percent from 2017, with 52,000 new riders in 2018.²

In Wellington, construction is under way to make safer connections between the central business district and the eastern and northern suburbs. The Hutt Road shared path, one of the most popular cycling routes in Wellington, neared completion during the year. Wellington cordon count data was up 5 percent, and we expect the number of people on bikes to increase as the delivery of Wellington's cycling projects picks up.

² Auckland Transport (2017) *The Auckland Cycling Account*, https://at.govt.nz/media/1977129/tra_at_aklcyclingbooklet2018_170x225_spreads_sml.pdf

Significant progress has been made on major cycleway networks in Christchurch City and Waimakariri District. The Christchurch cycleways are proving extremely popular with ridership numbers exceeding expectations. The Life in Christchurch survey reported 31 percent of respondents travel by bicycle more often than they did 12 months ago and most agree the new major cycleways have increased their safety and made travelling by bike faster, more convenient and more pleasant.³

In Whāngārei, the first two stages of the Kamo Cycleway-Walkway neared completion. The route is one of three primary routes in the Whāngārei cycleway network and provides an off-road alternative to State Highway 1. The council, in partnership with Bike Northland and Bikes in Schools, is encouraging more children to walk and cycle to school along the new route.

An important milestone was reached in the development of Whanganui's walking and cycling network with the installation of the first cycle crossing with traffic signals in Whanganui as part of Te Tuaiwi (The Spine) Shared Pathway project. In addition, over 5km of the City to North Mole Cycleway are now complete. This connection along the banks of the Whanganui River provides a safe off-road option for residents to cycle to the city centre and to the Heads Road industrial area. It is also a core component of the National Great Rides Mountains to Sea Cycle Trail and will attract new users to the riverside off-road facility.

We co-invested in the Bikes in Schools project, which provides children who live near new or planned cycling infrastructure with access to bikes and the opportunity to learn safe riding skills. We provided opportunities for more than 11,000 children in 32 schools to experience getting around by bicycle, exceeding our target of 10,500 children.

This year was our fourth year delivering our cycling activities programme, which includes behavioural change initiatives such as the Aotearoa Bike Challenge (in February 2018), which involved 14,300 people, including over 2,600 new riders from over 1,600 organisations.

How did we perform?

One of our investment measures achieved the desired target the other was not available. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Network kilometres of cycle lanes	New km	New km			
	91.4km (including 63.6km Urban Cycleways Programme)	79.3km (including 61.8 km Urban Cycleways Programme)	Increasing	-	 ACHIEVED

The target to increase the kilometres of cycle lanes was achieved with 61.8km of new cycling infrastructure delivered as part of the Urban Cycleways Programme. In addition, another 17.5km of new cycling infrastructure was delivered outside the Urban Cycleways Programme.

% increase in cycling trip legs per person across Auckland, Wellington and Christchurch	Not available	Not available ¹	Increasing	Not applicable	NOT APPLICABLE
---	---------------	----------------------------	------------	----------------	----------------

While data on the percentage of cycling trips legs per person is not yet available, physical cordon counts, which provide a snapshot of the number of cycling trips in central business districts, increased from 5,413 last year to 5,605 this year. Auckland saw a 3 percent increase (1,944 trips), Wellington a 5 percent increase (2,264 trips) and Christchurch a 1 percent increase (1,397).

¹ The measure capturing the percentage increase in cycling trip legs per person across Auckland, Wellington and Christchurch is sourced from the Household Travel Survey. Due to methodology changes, results from this survey will not be available until 2019. During 2015/16, physical cordon counts were undertaken to establish baseline trip information.

³ Christchurch City Council (2017), *Cycleways tempt more people onto bikes*, <https://www.ccc.govt.nz/news-and-events/newsline/show/1950>

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	87,733	126,680	(38,947)	66,808
Expenditure	88,634	126,680	38,045	65,907
Net surplus/(deficit)	(901)	0	(901)	901

Walking and cycling expenditure was \$38 million (30 percent) below budget. Expenditure increased from the previous year, but progress in this year's ambitious programme was slower than planned, particularly in the large urban centres where reprioritisation and the need to align with other projects caused delays. More time was required on scope, costs, routes and procurement ahead of implementation. We have agreed for the carry-over of funding for the Urban Cycleways projects into 2018/19 to provide for delivery of the agreed programme of works.



PUBLIC TRANSPORT

Invested in by the Transport Agency, delivered by local authorities and funded from the National Land Transport Fund

Public transport also contributes to the focus areas *Connect and develop regions* (page 34) and *Keep people safe* (page 44).

What do we do?

Along with approved organisations (such as local and regional councils), we invest in bus, ferry and rail public transport services, technology, facilities and infrastructure to increase patronage. This includes investing in subsidised door-to-door transport for people with mobility impairments.

Investment in public transport provides customers with more ways to travel, eases congestion and makes better use of the existing transport system. Public transport also reduces the impact of transport on the environmental effects and contributes to reducing the number deaths and serious injuries from road crashes.

Public transport activities are supported by the administration of the SuperGold cardholders' scheme and enhanced public transport concessions for SuperGold cardholders.

What were our big achievements?


The National Ticketing Programme was expanded to include Auckland Transport. Auckland accounts for approximately 60 percent of public transport investment, and the region's participation in the programme ensures we can provide an improved customer experience and a consistent national approach to public transport ticketing and fares.

Auckland Transport began the procurement of 15 new electric multiple units for the Auckland Metrorail system to help meet the growing demand for train services and expected population growth.


In Otago, the regional council, with support from Queenstown Lakes District Council, the Transport Agency and the local bus operator, launched a new public transport service with a flat \$2 fare as part of efforts to reduce congestion levels in and around Queenstown. Passenger trips on the service exceeded expectations and were significantly higher than on the previous service. (In January 2018, 100,000 trips were made compared with 41,000 in January 2017.)

How did we perform?




Three of our eight investment measures achieved its target. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Number of passengers using urban public transport services (bus, train and ferry)	153m	158m	≥ 148m	+10m	 ACHIEVED




The number of passengers using urban public transport (patronage) increased by approximately 3 percent over the year driven largely by growth in Auckland (approximately 3.5 million more bus boardings). Outside of Auckland, patronage growth was mixed, with some regions declining while others grew. Otago Regional Council recorded the greatest relative growth of 22 percent, driven by improvements to the network in Dunedin and the Wakatipu Basin.

Fare revenue as a % of total expenditure	47.4%	45.2%	≥ 48%	-2.8%	 NOT ACHIEVED
--	-------	-------	-------	-------	---

Fare revenue as a percent of total expenditure (the farebox recovery ratio) was lower than expected because total fare revenue remained largely unchanged from last year while total operating costs increased. Fare revenue increased by 3 percent across the Greater Wellington public transport network and 6 percent across small and medium sized public transport networks, but this was offset by a 1 percent decrease in Auckland and an 11 percent decrease in Christchurch.

Productivity (costs per passenger kilometre) where available by bus, train and ferry	Bus	0.17 \$/km	0.19 \$/km	≤ \$0.15 \$/km	+0.04 \$/km	 NOT ACHIEVED
	Train	0.16 \$/km	0.16 \$/km	≤ \$0.13 \$/km	+0.03 \$/km	 NOT ACHIEVED
	Ferry	0.06 \$/km	0.06 \$/km	≤ \$0.06 \$/km	-	 ACHIEVED

Costs per passenger kilometre increased for bus services because services and associated costs increased at a faster rate than patronage and passenger kilometres travelled. The roll-out of the new bus network across eastern parts of Auckland had a significant impact. Bus in-service kilometres increased by 10 percent in Auckland compared with patronage growth of 6 percent and passenger kilometre growth of 2 percent. The remainder of the new bus network will be rolled out across the northern and central parts of the Auckland network in 2018/19.

Productivity (costs per passenger boarding) ¹	Bus	\$1.25	\$1.38	Decreasing cost	+\$0.13	 NOT ACHIEVED
	Train	\$2.86	\$2.66	Decreasing cost	-\$0.20	 ACHIEVED
	Ferry	\$0.76	\$0.86	Decreasing cost	+\$0.10	 NOT ACHIEVED

Costs per passenger boarding for bus and ferry increased because services and associated costs increased at a faster rate than patronage and fare revenue. Conversely, costs for rail decreased as operating costs were down 1 percent and rail patronage was up 3 percent compared with last year.

From a National Land Transport Fund perspective, costs decreased further through a planned reduction in the fund's contribution toward rail operating costs from 55 percent in 2016/17 to 54 percent in 2017/18.

¹ This is a proxy measure. The information available from service providers and regional councils to report on the Government Policy Statement on Land Transport measure, productivity (costs per passenger kilometre) where available by peak and off-peak, is not available in sufficient quality to enable accurate and reliable reporting.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	382,616	335,744	46,872	336,120
Expenditure	382,616	335,744	(46,872)	336,120
Net surplus/(deficit)	0	0	0	0

Public transport expenditure ended the year \$47 million (14 percent) above budget mainly as a result of the 15 new electric train units being procured in Auckland to meet increased demand, as well as improvements to public transport services, also mainly in Auckland.



ADMINISTRATION OF SUPERGOLD CARDHOLDERS' SCHEME AND ENHANCED PUBLIC TRANSPORT CONCESSIONS FOR SUPERGOLD CARDHOLDERS

Administered by the Transport Agency, delivered by local authorities and funded from the Crown

What do we do?

Together with local and regional councils, including Auckland Transport, we administer the SuperGold cardholders' scheme. We also fund regional councils to provide enhanced public transport concessions for SuperGold cardholders. The Crown funds both activities as specific projects. We manage the SuperGold cardholders' scheme on behalf of the Ministry of Transport.



The SuperGold cardholders' concessionary fares scheme provides more transport choices for older people and improves the use of public transport during off-peak hours, which reduces congestion and contributes to improving safety on our roads.

What were our big achievements?

This year, we supported 13.7 million SuperGold trips, an increase of 6 percent (773,000 trips) from 2016/17). We also gained agreement from local government to deliver on the government's decision to move to a more sustainable funding methodology from 2018/19.

How did we perform?

We achieved our two targets for administration of the SuperGold cardholders' scheme and Enhanced public transport concessions for SuperGold cardholders. For technical notes, see appendix 2, page 159.

SERVICE DELIVERY	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Average number of days to deliver	17	16.4	≤ 20	-3.6	 ACHIEVED
% of activities delivered to agreed standards and timeframes	100%	100%	100%	-	 ACHIEVED

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	28,266	29,415	(1,149)	26,481
Expenditure	28,266	29,415	1,149	26,481
Net surplus/(deficit)	0	0	0	0

Expenditure for administration of the SuperGold cardholder's scheme and enhanced public transport concessions for SuperGold cardholders was \$1.8 million (6 percent) higher than last year, but \$1.1 million (4 percent) below budget. This was the result of working in collaboration with regional councils to remain within a target allocation for SuperGold card concessions.

CONNECT AND DEVELOP REGIONS

Partner for tailored transport solutions that support wider outcomes for communities, regions and New Zealand

WHAT ARE WE AIMING FOR?

Through *Connect and develop regions* we aim to support regional economic development and improve interregional connections for business, freight and tourism. We work with others so transport can enable broader social and economic outcomes.

OUTCOME

Improved regional and interregional transport for people, freight and business

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

We measure progress toward our outcome of improved regional and interregional transport through productivity, travel-time predictability, resilience and accessibility indicators.

Productivity (how much of the rural road network's capacity is being used) dropped slightly to just under 74 percent due to road repairs on the Kaikōura coastal route. Travel-time predictability on rural roads was maintained at 95 percent.

Resilience in the rural network is measured through the duration of closures on the regional state highways. The median closure time increased to 23.7 hours this year, with closures over 12 hours mainly due to weather. We responded to several instances of damage caused by severe weather events. This year also saw the re-opening of State Highway 1 from Picton to Christchurch as part of our Kaikōura earthquake response work in time for the pre-Christmas holiday traffic in December 2017.

Accessibility in rural areas has been measured through the number of people charged with driving without a licence, but we are developing a new indicator that will better measure accessibility.

Further projects were delivered under the Accelerated Regional Roding Programme this year and other major infrastructure projects continued, including Wellington's Northern Corridor and Christchurch Motorways. Safety also drove improvement activities with the continued delivery of the Safe Roads and Roadsides Programme.

Investment in local road improvements creates safer local roads, improves the efficiency of freight supply chains, increases the resilience of the local road network and eases congestion. Travel times on key local roads serving major metropolitan areas were maintained and a large proportion of the country remained available to 50MAX (high productivity) vehicles.

Local road maintenance and operations includes investment in maintaining pavements, structures, drains and traffic services. Targets were met for measures of pavement integrity, surface condition and smooth ride of the sealed network.

Customers continue to benefit from travel-time savings on toll roads – an average 18 minutes on the Northern Gateway and 29 minutes on the Tauranga Eastern link compared with on free routes.

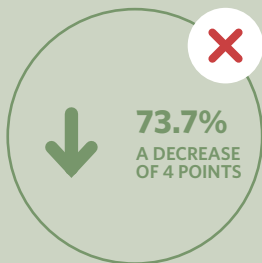
CONNECT AND DEVELOP REGIONS HAS:

4 key performance indicators
pages 35–36

4 significant activities
pages 36–37

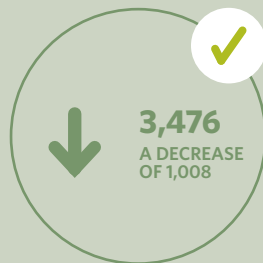
4 output classes
pages 38–43

KEY PERFORMANCE INDICATORS



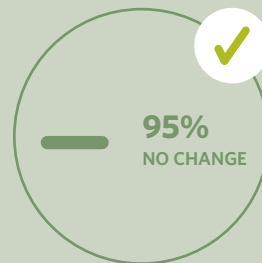
PRODUCTIVITY

Capacity of the rural road network being used



ACCESSIBILITY

Number of people found driving without a valid driver licence



TRAVEL-TIME PREDICTABILITY

Rural journeys that took a predictable time



RESILIENCE

Time taken to address road closures on regional state highways

RE-ESTABLISHING CONNECTIONS IMPROVES LIVELIHOODS

The 7.8 magnitude Kaikōura earthquake in November 2016 caused extraordinary damage to the Main North Line railway and State Highway 1 along the east coast of the South Island. Kaikōura was cut off, homes destroyed and livelihoods disrupted. Tourism came to a standstill, through-traffic ceased and access to farms disappeared. Supplies were brought in by sea. Re-establishing connections was vital for the region.

The North Canterbury Transport Infrastructure Recovery, an alliance partnership between the Transport Agency, KiwiRail, Downer, Fulton Hogan, HEB Construction and Higgins, was set up by the government in December 2016 to restore earthquake-damaged road and rail infrastructure. More than 1,700 people from across New Zealand and around the world joined together to repair and renew the transport networks.

Rail links reopened to freight in September 2017, and passenger trains are expected to resume in December 2018. State Highway 1 reopened to both the north and south of Kaikōura in December 2017, restoring the coastal highway link from Picton to Christchurch in time for Christmas travel. All sea walls, offering long-term sustainable protection to the road and rail transport corridor, were completed in May 2018 marking a significant milestone for the recovery work.



DETAILED RESULTS: KEY PERFORMANCE INDICATORS

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
Productivity	Index of network productivity (morning peak)	Maintain Baseline 78.1%	Decreased 73.7%	94	-4%

This measure describes how much of the capacity of the rural road network was being used in March 2018. Capacity is measured by the speed and flow of vehicles on the rural network, which decreased by 6 percent from the March 2016 baseline.

The drop in productivity was the result of substantial road repairs on the Kaikōura coastal route, following the 2016 earthquake, which slowed traffic and reduced utilisation. The Kaikōura coastal route was opened for day-time access in December 2017 with full access achieved in April 2018.

Accessibility	Index of the number of people found driving without a valid driver licence	Decrease Baseline 4,484	Decreased 3,476	78	-1,008
----------------------	--	----------------------------	--------------------	----	--------

The number of people found driving without a valid driver licence decreased 22.5 percent from the previous year. This indicator allows us to understand how accessible the transport system is, because not having a licence is often a barrier to accessing social and economic opportunities in rural communities. Further accessibility measures are being developed to more robustly measure rural network accessibility.

Travel-time predictability	Index of travel-time predictability	Maintain Baseline 95% ¹	Maintained 95%	100	-
-----------------------------------	-------------------------------------	---------------------------------------	-------------------	-----	---

Travel-time predictability for road traffic in rural areas has remained stable over the last three years. Data for this measure is gathered in March, the heaviest time of the year for traffic.

Resilience	Index of duration of observed closures on regional state highways - time taken to address road closures in hours ²	Decrease Baseline 1,355 hours (median 16.4)	Increased 4,115 hours (median 23.7)	304	+2,760 hours (median +7.3)
-------------------	---	--	--	-----	----------------------------

The main cause for road closures that lasted beyond 12 hours was weather. Events such as avalanche risk, flooding, slips, snow and ice, and strong winds contributed to 64 percent of these closures. Severe weather events this year included Cyclone Gita, Cyclone Fehi, and floods across Northland, Coromandel and Tasman.

¹ The baseline is an adjusted figure from the published baseline of 88 percent in our *Statement of performance expectations 2017/18*. This is because we have changed from using the mean to using the median this year. The methodology has been applied to previous years so that measurement over time is consistent.

² The current methodology is highly variable and affected by events such as the Kaikōura earthquake. To give this measure more meaning and comparability in the short term, the Transport Agency is reporting the median as well as the actual result to remove the impact of outliers.

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Partnering for regional economic development

Transport plays an important part in providing safe connections within and between regions to enable social and economic growth opportunities to be realised. We continued to deliver projects that enable regional action plans to be delivered and to build external relationships as more regions and agencies joined the Regional Economic Development programme. We also established new working relationships in central government to prepare for and begin delivering projects through the Provincial Growth Fund.





Improving resilience

We were proud to re-open State Highway 1 from Picton to Christchurch as part of our Kaikōura earthquake response work, in time for the pre-Christmas holiday traffic in December 2017. This follows reinstatement of the rail line in September 2017. Restoring these coastal highway and rail links was a huge job that re-established vital connections for Kaikōura and other affected communities and supported local businesses, freight and tourism. The highway reinstatement work continued into 2018, with safety being a top priority. We also responded during the year to damage caused by severe weather events. For example, following significant storm damage to State Highway 25 Thames Coast Road in January 2018, we worked closely with the local community and other stakeholders to quickly rebuild and strengthen the coast road.

Delivering major transport infrastructure and rural safety improvements

Four projects were completed or substantially completed this year under the Accelerated Regional Roding Programme: Kawarau Falls Bridge, near Queenstown; Mingha Bluff to Rough Creek, in Canterbury; Akerama Curves Realignment and Passing Lane, in Northland; and the Motu Bridge Replacement, near Gisborne. The Taramakau Bridge was opened on 22 July 2018 to replace the 132-year-old Taramakau Road-Rail Bridge. The new bridge includes a pedestrian and cycling path and will improve safety and reduce congestion for West Coast locals and tourists.

We continued to work on important highways across the country, including Wellington's Northern Corridor and Christchurch Motorways, to move people and freight between and within these centres more safely and efficiently. We also continued to deliver safety improvements through the Safe Roads and Roadsides Programme, which aims to significantly reduce deaths and serious injuries on rural state highways around the country.

THIS YEAR'S SIGNIFICANT ACTIVITIES	YEAR-END RESULT
3.1 Support and deliver our part of agreed Regional Economic Development Action Plans.	 ACHIEVED
3.2 Contribute to economic growth and productivity, road safety, travel choices, environmental and personal health, and resilience through the delivery of the final year of the 2015-18 National Land Transport Programme.	 ACHIEVED
The annual report for the National Land Transport Fund (from page 171) provides a full report against the outcomes of the Government Policy Statement on Land Transport 2015/16 - 2024/25.	
3.3 Rebuild State Highway 1 in accordance with the Kaikōura Earthquake Response.	 ACHIEVED
3.4 Deliver significant capital projects to schedule (this includes the Accelerated Regional Roding Programme).	 SUBSTANTIALLY ACHIEVED
<p>Capital projects that contribute to <i>Connect and develop regions</i> ran largely to schedule this year. Construction began on the Transmission Gully and Peka Peka to Ōtaki sections of the Wellington Northern Corridor. However, the Ōtaki to Levin project had to be revaluated against the new Government Policy Statement on Land Transport.</p> <p>Under the Accelerated Regional Roding Programme, the Kawarau Falls Bridge, Akerama Curves Realignment and Passing Lane, and the Motu Bridge Replacement were completed and opened to traffic. Taramakau Road-Rail Bridge was completed and construction continued on the Whirokino Trestle Bridge Replacement. Other projects experienced delays because of construction issues and re-scoping.</p> <p>Similarly, the State Highway 1 One-Way Pair cycleway in Dunedin has required modifications to the original design and additional works.</p> <p>See appendix 1, from page 152 for details on individual projects.</p>	

DETAILED RESULTS: OUTPUT CLASSES

Other output classes that directly contribute to the *Connect and develop regions* focus area are state highway improvements and state highway maintenance (see *Target rapid growth*, pages 24-28).



LOCAL ROAD IMPROVEMENTS

Invested in by the Transport Agency, delivered by local authorities and funded from the National Land Transport Fund

Local road improvements also contribute to the *Target rapid growth* (page 20) and *Keep people safe* (page 44) focus areas.

What do we do?

Through local road improvements, we invest in new local roads, chip sealing for existing roads, new traffic management facilities, replacement bridges and other structures in conjunction with local and regional councils. These investments create safer local roads, improve the efficiency of freight supply chains, increase the resilience of the local road network and ease congestion.

What were our big achievements?

This year, we invested \$106 million across 53 programmes to upgrade energy-efficient LED lights. We also invested \$117 million across 83 low-cost, low-risk projects to improve safety, resilience and efficiency on the local road network.

In Auckland, the Supporting Growth Alliance was established to develop the next phase of a business case for developing transport networks in greenfield growth areas. It is estimated that these areas will account for around 30 percent of the region's growth by 2050. In all, that's about 15,000 hectares of greenfield or undeveloped land, with a capacity for 137,000 new homes and 67,000 new jobs.

We continued to invest in the Auckland Manukau Eastern Transport Initiative (\$9 million this year) to develop multimodal transport infrastructure in east Auckland.

We also invested in important safety improvements such as the intersection of Coatesville Riverhead Highway, Brookby Road and Great North Road/Bullock Track (\$6 million) and the Tamaki Drive-Ngapipi intersection (\$8.2 million), including improved walking and cycling facilities.

Major investments to support better public transport in Auckland included:

- clearing routes in Onewa Road, Manukau Road and Great North Road to accommodate double-decker buses (\$7.9 million)
- early works to upgrade the frequent route 32, between Māngere Town Centre and Sylvia Park, with bus priority lanes, improved bus shelters, and walking and cycling facilities (\$5 million as part of East West Connections)
- construction of Newmarket Crossing, replacing the level crossing near Newmarket with a road-over-rail bridge to support more efficient rail operations (\$10.4 million).

In Hamilton, the council began early works and design on the Wairere-Cobham Interchange to improve access to housing developments in a high-growth urban area (\$22 million to be invested over four years).

In the Tararua district, we continued to improve Saddle Road and work continues on the Manawatū Gorge Alternative Route to provide a safe and secure alternative route for network resilience for State Highway 3 (\$15.5 million over five years).

In the South Island, construction continued on Christchurch City Council's Northern Arterial Extension and Cranford Street Upgrade project (as part of the Northern Corridor) to improve travel from north Canterbury to the strategic road network and central city (\$16 million this year with a total cost of \$38.7 million).

The Queenstown Lakes District Council completed the Eastern Access Road project to ease congestion on State Highway 6 and improve access to employment and the new Wakatipu High School and for tourism and freight.





Dunedin City Council started constructing improvements to Portobello Road, a key commuter and tourism route, to improve safety, provide a shared path for pedestrians and cyclists, and protect against sea-level rise.

Southland District Council neared completion of the seal extension along the scenic route Haldane–Curio Bay, Slope Point Road and Waipapa Point to improve safety on this busy tourist route (\$8.66 million this year with a total cost of \$9.59 million).

How did we perform?

Four of our five investment measures achieved the desired trend or target, one was not available.

For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Average travel times on key local roads serving major metropolitan areas (Auckland, Wellington and Christchurch, morning peak) ¹	Maintained overall	Maintained overall	Maintaining ²		
Auckland	2.5 min/km	2.3 min/km	2.5 min/km	-0.2	 ACHIEVED
Wellington	2.3 min/km	2.4 min/km	2.7 min/km	-0.3	 ACHIEVED
Christchurch	1.8 min/km	1.8 min/km	1.9 min/km	-0.1	 ACHIEVED
Productivity of the local road network in major metropolitan areas	Not available	Not available ³	Increasing	-	NOT AVAILABLE
% of approved organisations signed up to the 50MAX network ⁴	95%	95%	≥ 90%	+5%	 ACHIEVED

¹ This measure represents the average travel time per kilometre travelled. For example a change of 0.1 between years would represent an increase of six seconds per kilometre travelled.

² The targets for Wellington and Christchurch were interchanged in our *Statement of performance expectations 2017/18*. We are reporting against the correct targets here.

³ The coverage of local roads in the productivity model is too small to provide a representative sample.

⁴ This is a proxy measure. It is not possible to report on the Government Policy Statement on Land Transport 2015/16 - 2024/25 measure of the proportion of local roads that are made available to high productivity motor vehicles, because roads are made available on the basis of individual journey permits. The sign-up to 50MAX signals an intent to make the network available to 50MAX complying vehicles.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	246,242	157,000	89,242	140,911
Expenditure	246,242	157,000	(89,242)	140,911
Net surplus/(deficit)	0	0	0	0

Local road improvements expenditure was \$89 million (57 percent) above budget. The increase is due to:

- accelerated LED streetlight replacement, incentivised with an 85 percent funding assistance rate
- completion of funding claims as the three-year National Land Transport Programme concluded.



LOCAL ROAD MAINTENANCE

Invested in by the Transport Agency, delivered by local authorities and funded from the National Land Transport Fund and the Crown

Local road maintenance also contributes to the *Target rapid growth* (page 20) focus area.

What do we do?

We invest in local road maintenance and operations, including the maintenance of pavements, structures and drains, and traffic services, in conjunction with approved organisations. These investments maintain the safety and resilience of the local road network and manage traffic flow and incidents, supporting lower congestion, a reduced risk of road crashes and better freight supply chain efficiency.

What were our big achievements?

This year, we continued to work with road controlling authorities and KiwiRail to plan and deliver the infrastructure recovery programme to address the impacts of the 2016 Kaikōura earthquake.





We collaborated with road controlling authorities to improve maintenance management in the Bay of Plenty, Marlborough, Gisborne and the Waikato. Our alliance with three Northland local authorities gained momentum as we planned and delivered roading activities in the region. Following a good start in 2016, three clusters of local authorities developed a consistent approach to their transport activity management plans: Buller, Grey and Westland District Councils; Mackenzie, Timaru and Waimate District Councils; and Manawatū and Rangitikei District Councils.

The Road Efficiency Group supported road controlling authorities to embed the One Network Road Classification and business case approach into their activity management plans. A co-design, co-delivery model was followed to build a robust evidence base to support business case submissions for the 2018-21 National Land Transport Programme. Major achievements to improve the efficiency of maintenance activities and create consistency across all road controlling authorities included:

- developing 27 performance measures for customer outcomes in the One Network Road Classification to report against
- developing further a web-based monitoring and reporting tool so all authorities can report performance against these measures
- producing a standard report for a subset of the 27 measures to highlight each authority's performance against that of its peer group
- delivering a sector-wide project to improve data quality
- publishing the *Procurement best practice guide* and the Smart Buyer self-assessment tool
- building capability through cross-sector collaborative learning and peer support and publishing guides and case studies to support industry self-learning.

How did we perform?

Three of our four investment measures achieved target. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Pavement integrity of the sealed network (index)	94	94	≥ 94	-	 ACHIEVED
Surface condition of the sealed network (index)	98	98	≥ 97	1	 ACHIEVED
Smooth ride: % of travel on smooth roads	88%	87%	≥ 86%	+1%	 ACHIEVED
Local road maintenance cost per lane kilometre ¹	\$2,910	\$3,095 ²	≤ \$3,000	+\$95	 NOT ACHIEVED

This measure is calculated by dividing the amount spent on the maintenance of local roads by the total number of kilometres in the network. Many local authorities completed more maintenance work this year, because they delivered less than planned last year and because of wet weather, which increased the total cost and the cost per lane kilometre.

¹ This measure aspires to capture cost per lane kilometre expenditure by road classification. However, it has not been possible to assess cost by road classification. The cost of maintenance is recorded through 23 work categories. While some of the work categories can readily be assigned to sections of road, many types of work do not readily link to road class. For example, costs such as for lighting or measuring road roughness are managed at a network level. While the long-term intention is to assess cost by road class, several changes to management processes and accounting systems are needed before the long-term intention can be met. We will continue reporting road maintenance costs on an aggregated kilometre cost basis until data becomes available on a functional classification basis.

² This figure covers maintenance, operations and renewals (excluding emergency works) by total lane kilometres and has been adjusted for inflation based on the network outcomes index.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	609,680	580,000	29,680	597,046
Expenditure	609,680	580,000	(29,680)	597,046
Net surplus/(deficit)	0	0	0	0

Local road maintenance expenditure was \$29 million (5 percent) above budget. This was mainly due to the infrastructure recovery programme in Kaikōura, which was more expensive than initially budgeted for.



REGIONAL IMPROVEMENTS

Delivered by the Transport Agency and funded from the National Land Transport Fund

What do we do?

Through regional improvements we invest in important state highways and local roads outside major metropolitan areas. We deliver state highway projects, and local and regional councils deliver local road projects. These projects support regional economic development by providing efficient and reliable transport for tourists and freight as well as improving the safety and resilience of the road network.

What were our big achievements?

The delivery of improvements to the regional state highway network increased significantly this year with further projects moving into the construction phase.

We opened up more of the state highway network to high productivity motor vehicles, which allow more freight to be carried on fewer trucks. We focused on routes to ports in Napier and Gisborne, the Waikato region, the East Coast of the North Island, and the West Coast of the South Island.




Under the Visiting Drivers Project, we improved safety on main tourist routes in Otago, Southland and West Coast with, for example, wide centrelines, rumble strips, pull-off areas and wire rope barriers.

Other work to improve safety, efficiency and resilience and to support regional growth included:

- beginning construction on two-way bridges in Taipa and Matakoho (Northland)
- completing pre-implementation (consenting and property and design phases) for the Pokeno to Mangatarata section of State Highway 2 in Waikato
- upgrading the State Highway 2 Watchman Road intersection and the entrance to Hawke's Bay Airport
- progressing replacements for the Whirokino Trestle and Manawatū River Bridge on State Highway 1 in Manawatū
- constructing Spring Creek roundabout in Marlborough
- substantially completing the new two-lane Taramakau Bridge on the West Coast.

How did we perform?

Two of our three investment measures achieved the desired trend on target. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Kilometres of improved regional roading	16km	9.38km	Increasing	-	 ACHIEVED
Six projects were completed, of which three were intersections and one was a roundabout. While these four projects have contributed to improved safety on our regional roads, they have not contributed any kilometres of improved regional roading.					
Kilometres available to high productivity motor vehicles on key regional routes	5,392km	7,221km ¹	Increasing	-	 ACHIEVED
% of activities delivered to agreed standards and timeframes	-	87%	≥ 90%	-3%	 NOT ACHIEVED

All three of the large (over \$5 million) projects planned for completion in 2017/18 were completed (State Highway 14 Hospital Road intersection improvement (Northland), State Highway 3: Ohaupo to Te Awamutu (Waikato), and high productivity motor vehicles tranche 2: State Highway 24 Matamata to State Highway 29 Intersection (Waikato)).

However, of the 11 small (under \$5 million) projects planned for completion in 2017/18, only three were completed (State Highway 11: Airfield to Lily Pond (Northland), high productivity motor vehicle tranche 2: State Highway 24 Matamata to State Highway 29 intersection (Waikato), and State Highway 1 State Highway 62 Spring Creek Intersection roundabout (Marlborough)).

Several projects will be completed during the first few months of 2018/19, including high productivity motor vehicles tranche 2: State Highway 26/State Highway 2 Hamilton to Paeroa (Waikato) and State Highway 6 High St/ Marlborough St intersection (West Coast).

Some projects were delayed following input from stakeholders and Safe System experts, which identified that scope changes (for example, State Highway 1B: Taupiri to Gordonton) or more investigation of the public transport components (for example, Grant Rd to Kawarau Falls Bridge Improvements) was needed.

¹ The data source changed, so this is not comparable to the previous year.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	140,136	138,000	2,136	68,517
Expenditure	140,136	138,000	(2,136)	68,517
Net surplus/(deficit)	0	0	0	0

Regional improvements expenditure was \$2 million (1 percent) above budget. This is a significant increase on previous years (\$13.1 million in 2014/15 and \$68.5 million in 2016/17) and reflects the completion of an ambitious planned programme.



ROAD TOLLING

Delivered by the Transport Agency and funded from fees and charges

What do we do?

Through road tolling, we:

- collect toll revenues and disbursements to the Crown
- manage the associated roadside and back-office systems, customer interfaces and payment channels
- inform and advise the public.

By collecting fees from people using existing infrastructure, we can invest in new projects to improve our road networks. Toll roads are located north of Auckland (Auckland Northern Gateway) and Tauranga (Tauranga Eastern Link and Takitimu Drive).

What were our big achievements?

Almost 80 percent of customers are setting up a toll account, which makes it easy to pay for trips on tolled roads. Customers continue to benefit from travel-time savings of an average 18 minutes on the Northern Gateway and 29 minutes on the Tauranga Eastern link compared with on the free route.

We are engaged in a project with vehicle rental companies to encourage them to set up toll accounts and remove the need to complete statutory declarations for their customers. We expect to complete this project in November 2018.

How did we perform?

We achieved two of our three performance targets. For technical notes, see appendix 2, page 159.

INVESTMENT PERFORMANCE	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Unit transaction costs	\$0.60	\$0.70	≤ \$0.75	-\$0.05	ACHIEVED
% revenue compliance	97%	97%	≥ 98%	-1%	NOT ACHIEVED

Revenue compliance was maintained this year, despite increased transaction volumes. This target was set when there was only one toll road and is now under review.

Number of products or services delivered or processed	15m	16.2m	≥ 13m	+3.2m	ACHIEVED
---	-----	-------	-------	-------	-----------------

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	15,276	14,577	699	14,036
Expenditure	15,636	10,964	(4,672)	13,091
Net surplus/(deficit)	(360)	3,613	(3,972)	945

Road tolling recorded a net deficit of \$0.36 million at year end. Road tolling income was \$0.7 million above budget due to increased traffic. Tolling costs were higher than budgeted as a result of an internal review of time spent on the Transport Agency's outputs, which found that the previous estimates were below actual levels of contribution.

KEEP PEOPLE SAFE

Deliver solutions that contribute to improved safety and public health outcomes and reduce environmental harms

WHAT ARE WE AIMING FOR?

Through *Keep people safe* we aim to deliver and influence integrated, targeted interventions to prevent or reduce deaths and serious injuries, improve personal security and health, and prevent or reduce environmental harms across all land transport modes.

OUTCOME

The land transport system is increasingly free from harms

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

Sadly, in 2017/18 we saw the negative trend of transport-related deaths and serious injuries continue, with an increase of 8 percent. We are working hard on multiple fronts to address this unacceptable level of harm.

The Safer Journeys strategy directed investment in roads and roadsides, speeds, vehicles and road use to the areas where we can have the greatest impact. Likewise, through the Boost Safety Programme, we delivered safety improvements on roads across the country that carry lower volumes of traffic but collectively account for a significant number of deaths and serious injuries each year.

Recognising that we must work together to achieve a significant reduction in deaths and serious injuries, we agreed, with New Zealand Police and the Ministry of Transport, to move to an outcomes-based approach with collective responsibility and accountability for delivering the Road Safety Partnership Programme (previously the Road Policing Programme⁶).

We continued to promote road safety through education and advertising campaigns – 87 percent of our campaigns met or exceeded their agreed success criteria – and we facilitated the wider use of alcohol interlocks. We conducted frontline safety operations to educate drivers and check vehicle and driver compliance in collaboration with New Zealand Police and other stakeholders.

In rail safety, we refreshed our regulatory framework to improve our operating model and identify capabilities and measures of success, and we streamlined the process for reporting rail safety events.

Public health and environmental outcomes also contribute to this focus area. We ensure that when a person registers a vehicle, the vehicle meets standards that improve vehicle safety and reduce the impact of vehicles on the environment. Our measure of the energy efficiency of the nation's vehicle fleet improved from 6.88km travelled per litre of fuel to 7.05km.

To encourage the uptake of electric vehicles, we worked with industry and government stakeholders to monitor and guide the delivery of public charging infrastructure. Close to 80 percent of the strategic state highway network now has rapid direct current chargers at 75km intervals.

Under our focus area *Shape the land transport system* (page 12), we developed the Setting of Speed Limits Rule to help road controlling authorities set safe and appropriate speed limits in areas where the biggest impact can be made on the safety of the network.

KEEP PEOPLE SAFE HAS:

2 key performance indicators
pages 45–46

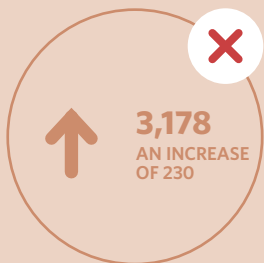
7 significant activities
pages 46–47

3 output classes
pages 48–53



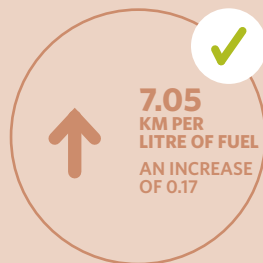
⁶ More detail on the Road Policing Programme is in the National Land Transport Fund annual report, from page 171.

KEY PERFORMANCE INDICATORS



SYSTEM SAFETY

Deaths and serious injuries
(road and rail)



ENVIRONMENTAL HARM

Energy efficiency of
road transport

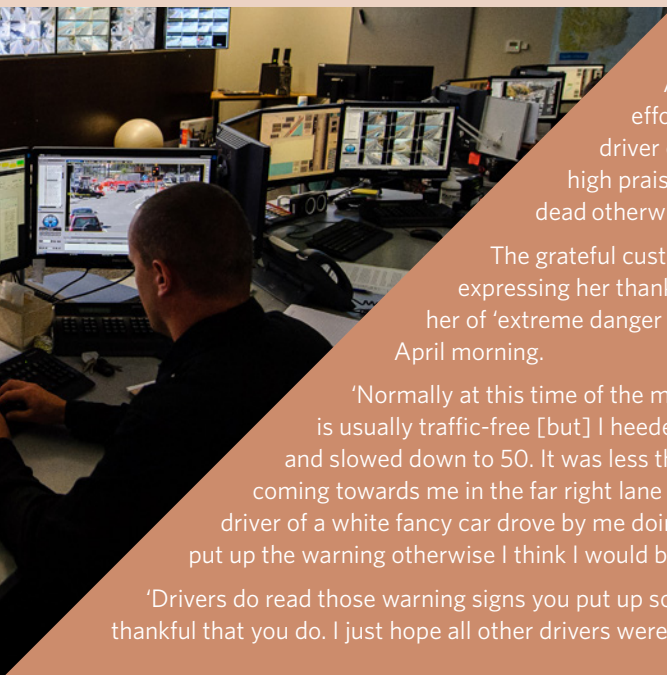
HELPING DRIVER AVERT DANGER EARNS ATOC PRAISE

Auckland Transport Operations Centre's efforts to warn customers about a wrong-way driver on Auckland's motorway network earned high praise from a motorist who thought she'd be dead otherwise.

The grateful customer wrote to the Transport Agency expressing her thanks for the electronic sign messages warning her of 'extreme danger - wrong way driver' in the early hours of an April morning.

'Normally at this time of the morning, I would travel in the far right lane as it is usually traffic-free [but] I heeded the warning, moved over to the far left lane and slowed down to 50. It was less than a minute after that when I saw the lights coming towards me in the far right lane ... [so] I pulled right off and stopped. The driver of a white fancy car drove by me doing 120km+ and I feel so grateful that you had put up the warning otherwise I think I would be dead now,' she said.

'Drivers do read those warning signs you put up so please continue to do so. I for one am very thankful that you do. I just hope all other drivers were as lucky as me this morning.'



DETAILED RESULTS: KEY PERFORMANCE INDICATORS

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
System safety	Index of deaths and serious injuries (road and rail)	Decrease Baseline 2,948 ¹	Increased 3,178	108	+230
Environmental harm	Index of energy efficiency of road transport ²	Maintain Baseline 6.88km per litre of fuel	Increased 7.05km per litre of fuel	102	+0.17km/ litre of fuel

¹ This figure has been adjusted from the published baseline in our *Statement of performance expectations 2017/18* because the data has since been updated.

² This measure is calculated by dividing all fuel purchased by the recorded number of kilometres travelled by New Zealand's vehicle fleet. As some fuel is used for machinery, the figure may be lower than expected of an average vehicle. However, because all fuel is consistently counted across the reporting periods, any improvements in overall efficiency of the fleet will be visible over time.

Death and serious injuries increased by 8 percent this year. The Transport Agency is committed, along with other agencies, to reducing the number of deaths and serious injuries on the roads. Through the Safer Journeys strategy, investment is targeted to where the greatest gains can be made. This includes infrastructure improvements, speed management, safer vehicles and reducing risky behaviour (such as using alcohol and drugs and failing to wear seatbelts).

The energy efficiency of road transport has increased since March 2017 when the baseline was set. Although there was an increase in vehicle kilometres travelled over time, the level of fuel consumption remained steady. This means with the same amount of fuel, more kilometres were travelled.

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

The Road Policing Programme, reported in pages 197–200 of the National Land Transport Fund annual report, also directly contributes to *Keep people safe*.

Working with partners and stakeholders

Working with our partners and stakeholders is critical to delivering a safer and healthier land transport system. During the year, we worked closely with New Zealand Police and the Ministry of Transport to review the Road Policing Programme so it keeps providing value for money and is fit for the future. We agreed to move towards an outcomes-based partnership with collective responsibility and accountability. The partners have established a joint team to design, deliver and implement this approach. The 2018–19 Road Safety Partnership Programme is an interim step as we move towards the new approach.

With the wider transport sector, we've developed an automated compliance work programme to promote willing compliance with transport regulations, streamline compliance-related activities and free up resources for targeted interventions in complex and high-risk situations. Automated compliance opportunities have been identified, such as for vehicle dimension and mass compliance and improving level-crossing safety. These opportunities are progressing through the Road Safety Partnership Programme and the Transport Agency's compliance activities.

Promoting safe road use

We continued to promote road safety through advertising campaigns highlighting safety priorities such as driving within speed limits and driving sober, free from drug impairment and phone-free. With the Accident Compensation Corporation, we delivered the BikeReady national cycle education system. This system includes resources, tools and cycle skills training accreditation to support young people to bike skilfully and safely and older people to return to cycling safely.

Boosting safety through road improvements

Through the Boost Safety Programme, a range of high-benefit, low-cost safety improvements on selected roads across the country, including Northland, Taranaki, Manawatū-Whanganui, Otago and Southland, were delivered during the year. These roads carry lower volumes of traffic but collectively account for a significant number of deaths and serious injuries each year. Improvements include rumble strips, improved signage and road marking, and safety barriers. Investigations, including consultation, have been carried out in preparation for installing Intersection Speed Zones (previously known as rural intersection activated warning signs) at 10 high crash rate, state highway intersections around the country. Intersection Speed Zones detect when someone is turning into or out of a side road and temporarily reduce the speed limit on the state highway, improving safety for everyone.








Extending coverage of network risk-mapping tools

We have added several new attributes to the Safer Journeys Risk Assessment Tool (also called MegaMaps). Road controlling authorities can now view high-risk layers for speed management, rural roads, urban roads, motorcycling routes, intersections and out-of-context curves on one geospatial platform. This will greatly improve the targeting of speed management and safety infrastructure improvements to risk.

Delivering the electric vehicle programme

This year, as part of the electric vehicle programme, we worked with a wide variety of industry and government stakeholders to deliver the vision for public charging infrastructure coverage on state highways. This now means close to 80 percent of state highways have rapid DC chargers at 75km intervals. We maintained close ties with the energy and automotive industry through a regular public charging infrastructure forum, resulting in a nationwide network of public charging infrastructure that is aligned, safe and reliable – one that gives electric vehicle drivers confidence to roam the nation.

We are leading the way in transitioning, where practicable, our fleet to full battery electric vehicles.

THIS YEAR'S SIGNIFICANT ACTIVITIES		YEAR-END RESULT
4.1	Develop an integrated intervention logic model to optimise safe system investment for the 2018-21 National Land Transport Programme.	 ACHIEVED
4.2	Develop, with transport sector partners, an automated compliance strategy and implementation plan as part of the Safer Journeys Action Plan 2016-2020.	 ACHIEVED
4.3	Complete a joint review with New Zealand Police and the Ministry of Transport of the Road Policing Programme content and mechanics to ensure it is future fit and provides value for money to inform the 2018-21 National Land Transport Programme.	 ACHIEVED
4.4	Deliver a package of advertising, education and other safety information and promotions that target high-risk audiences with behavioural change messages, new knowledge and information.	 ACHIEVED
4.5	Develop guidelines for the infrastructure requirements to enable early adoption of new vehicle technology.	 ACHIEVED
4.6	Develop and publish, with the transport sector, a comprehensive view of a national charging network for electric vehicles.	 ACHIEVED
4.7	Refresh our rail regulatory frameworks, success measures and capability to focus on specific high-risk areas and activities.	 ACHIEVED

DETAILED RESULTS: OUTPUT CLASSES



ROAD SAFETY PROMOTION

Delivered by the Transport Agency and local authorities and funded from the National Land Transport Fund

What do we do?



Through road safety promotion, we manage and invest in activities that contribute to the safe, efficient and effective use of land transport networks and services. These activities include advertising, education and information targeted at road users and contributing to the high and medium priority areas of the Safer Journeys strategy.

What were our big achievements?

In March, our partnership with Clemenger BBDO was recognised by the Brand Axis award. This award recognises the successful creative collaboration between an agency and client that has created excellent creative brand work for five or more years. This award acknowledges our mutual trust, respect for our audience and firm ambition to make a difference through road safety promotion.

How did we perform?

We achieved both our targets for road safety promotion. For technical notes, see appendix 2, page 159.

SERVICE DELIVERY	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
% of educational activities delivered to agreed standards and timeframes	100%	100%	100%	-	 ACHIEVED
% of road safety advertising campaigns that meet or exceed their agreed success criteria	83%	87%	≥ 75%	+12%	 ACHIEVED

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	39,347	38,281	1,066	36,626
Expenditure	37,412	37,324	(88)	34,841
Net surplus/(deficit)	1,935	957	978	1,785

Road safety promotion expenditure of \$37.4 million was made up of:

- education and advertising - \$34.5 million, which was above budget by \$0.3m (1 percent) mainly due to more work than planned on cycling safety
- billboards and events associated with new roading projects - \$1.4 million (4 percent), which was above budget by \$0.4m (40 percent)
- the community road safety programme (local safety initiatives funded by the revenue from personalised plates) - \$1.4 million (4 percent), which was below budget by \$0.5 million (25 percent).

Revenue from the community road safety programme was over budgeted by \$0.4 million (14 percent). The \$0.9 million surplus will be used to cover project work deferred to 2018/19 and other future commitments.



LICENCING AND REGULATORY COMPLIANCE

Delivered by the Transport Agency and funded from fees and charges and the Crown

Licensing and regulatory compliance also contributes to the *Connect and develop regions* (page 34) focus area.

What do we do?

Through licensing and regulatory compliance we develop land transport rules (under contract to the Ministry of Transport) and clear standards for vehicle inspection and certification, transport service (commercial) licensing operations, rail safety operations and vocational driver licensing.

We also:

- monitor and audit compliance with regulatory standards and requirements for vehicles, drivers, operators and transport system providers
- provide driver and transport (including rail) operator licensing and testing services
- maintain the driver licence register
- issue permits for overdimension vehicles
- administer drug and alcohol assessments of drivers and operators
- inform and advise on driver licensing
- provide ministerial services.

Funding for licensing and regulatory compliance comes from fees and charges and from the Crown, including from Crown contracts for specific activities.

This work helps to improve the safety of land transport as well as supporting efficient vehicles and freight supply chains.

What were our big achievements?

This year, we completed a review of the certification system for importing and certifying new and used heavy vehicles. The review proposes recommendations to improve the system and increase assurance in the standard of heavy vehicles entering New Zealand.

We refreshed our rail regulatory frameworks to ensure our approach to regulation is clear and consistent and supported by the right capability and measures of success. We streamlined the process for reporting rail safety events and undertook four major investigations centred on fire safety, derailment and runaway wagon risks and rail service collisions.

The laws related to small passenger services (taxis, private hires, shuttles and dial-a-driver) changed to allow for new technology, encourage competition and enable the sector to respond to customer needs while maintaining passenger and driver safety. We put in place a modernised licensing regime to support these changes and provide customers with a broader variety of travel choices, including ride sharing.







We undertook several thousand inspections, investigations and audits of transport service providers and road and rail operators, as well as conducting frontline safety operations in collaboration with NZ Police and others. For example, we teamed up with police and the Department of Conservation and the Ministry of Business, Innovation and Employment to check in-bound tourist coaches and rental vehicles for vehicle and driver licence compliance. Operation Hōtoke was a joint operation with the police to educate drivers on the risks of winter driving.

In driver licensing, we strengthened requirements for applying to provide driver licensing courses and increased monitoring of training providers. We also improved how we share information with the New Zealand Police, to provide real-time driver licence images to front-line officers and automatically receive vetting results, making our jobs faster and easier. We made changes to facilitate the wider use of alcohol interlocks, which require an alcohol interlock licence and stop a vehicle from working if the driver has consumed alcohol.

We increased our range of online and digital services, making it possible to complete driver licence replacements, practical driving test bookings and applications for transport service licences online. Alongside this work, we ensured our customers in urban and rural communities would continue to receive in-store driver licensing services.

How did we perform?

We achieved three of our six targets for licensing and regulatory compliance. For technical notes, see appendix 2, page 159.

SERVICE DELIVERY	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Unit transaction costs	\$11.32	\$11.42	≤ \$11	+\$0.42	 NOT ACHIEVED
The cost to deliver each transaction was similar to last year. The variance of \$0.42 was mainly due to a 2.9 percent decrease in the volume of driver licences issued during the year, which required fixed operational costs to be spread among fewer units.					
% of transactions completed online	41%	46%	50%	-4%	 NOT ACHIEVED
While we did not meet our target for the percentage of transactions completed online, we have consistently improved throughout the year. The increase has been supported by online driver licence replacements, launched this year, as well as an updated online practical test booking.					
% accuracy of registers	96%	97%	≥ 93%	+4%	 ACHIEVED
% of operational assurance activities completed	100%	78%	100%	-22%	 NOT ACHIEVED
Our target for completing assurance of driver testing agents and course providers was not met because we adjusted our assurance activities to prioritise compliance and enforcement activity for high-risk course providers.					
% of activities that are delivered to agreed standards and timeframes	93%	94%	≥ 90%	+4%	 ACHIEVED
Number of products or services delivered or processed	6.3m	6.6m	≥ 6.0m ¹	+0.6m	 ACHIEVED

¹ This target is driven by demand, which can be variable, and is set as a minimum standard.

After year-end the NZ Transport Agency board has become aware that the regulatory function of the Transport Agency is not performing optimally. The board takes the Transport Agency's responsibility of being a regulator for both road and rail very seriously. There is a backlog of case files, some of which require urgent attention. As a result significant resource is now involved in the regulatory function to address these files and to identify and commit the level of resource required to reach expected performance levels.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	98,995	96,464	2,531	97,177
Expenditure	99,008	97,676	(1,332)	94,450
Net surplus/(deficit)	(13)	(1,212)	(1,200)	2,727

Income was \$2.5 million above budget (3 percent).

This was mainly attributable to two revenue streams that had not been budgeted:

- \$1 million Crown funding to set up the regional fuel tax administration system
- \$0.9 million Crown funding from the Better Public Services fund that was used to develop a new mobile app for young drivers.

In addition, a range of variances occurred across the activities delivered under licensing and regulatory compliance. The most significant variances included higher revenue from transport licensing and over-dimension permits, and lower revenue than planned from driver testing and driver licensing.

Expenditure was \$1.3 million above budget (1.4 percent). Lower volumes than planned in driver licensing resulted in lower costs (\$2.3 million) for the Transport Agency, as this activity is delivered by agents, such as AA New Zealand, who are paid a commission in proportion with the volumes of transactions they process. Offsetting this was \$3.5 million of unbudgeted costs to remediate faulty installations of towbars and drawbars. Additional costs were also incurred to set up the regional fuel tax administration system and the new young drivers app.

The net result was a slight deficit, which was lower than the budgeted deficit of \$1.2 million. This was achieved through lower administrative costs than budgeted and slightly higher combined revenue.



MOTOR VEHICLE REGISTRY

Delivered by the Transport Agency and funded from fees and charges

What do we do?

Through motor vehicle registry activities, we:

- operate the motor vehicle register
- deliver motor vehicle registration and licensing services
- collect and refund registration and licensing revenue, which is paid to the National Land Transport Fund
- inform and advise the public.

When a vehicle is first registered in New Zealand, vehicle safety and environmental standards have to be met before it can be licensed for use on the road. This improves vehicle safety and reduces adverse environmental effects.

What were our big achievements?

This year we continued to improve the way we do business online and electronically. We made it possible for customers to receive their vehicle licensing reminders by email, and we promoted our online vehicle registration service, which has significantly increased online vehicle relicensing transactions.

At the same time, we renegotiated contracts with our partners so in-store services for customers continue and put in place an audit regime to maintain consistent levels of customer service, privacy and data quality.

When dealing with paper-based registrations, we reduced the time it takes us to process a transaction from 10 days to 3 by digitising the information on receipt.

How did we perform?

We achieved all six targets for the motor vehicle registry. For technical notes, see appendix 2, page 159.

SERVICE DELIVERY	ACTUAL 2016/17	ACTUAL 2017/18	TARGET 2017/18	VARIANCE	RESULT
Unit transaction costs	\$4.98	\$4.09	≤ \$6.00	-\$1.91	ACHIEVED
% of transactions completed online	42%	49%	≥ 45%	+4%	ACHIEVED
% accuracy of registers	97%	97%	≥ 95%	+2%	ACHIEVED
% revenue compliance	99%	98%	≥ 98%	-	ACHIEVED
Number of products or services delivered or processed	11.6 m	11.9m	≥ 9.5m ¹	+2.4m	ACHIEVED
% customer satisfaction	87%	88%	85%	+3%	ACHIEVED

¹ This target is driven by demand, which can be variable, and is set as a minimum standard. High volumes in recent years were driven by an Accident Compensation Corporation levy change.

	ACTUAL 2017/18 \$000	BUDGET 2017/18 \$000	VARIANCE 2017/18 \$000	ACTUAL 2016/17 \$000
Income	53,636	54,800	(1,164)	55,808
Expenditure	52,355	57,005	4,650	58,119
Net surplus/(deficit)	1,281	(2,205)	3,486	(2,311)

Motor vehicle registry recorded a surplus of \$1.3 million. This was largely due to two changes this year.

One change was a decrease in vehicle registration volumes because more vehicle owners registered their vehicles for a whole year (rather than for shorter periods), following the price reduction from a reduced Accident Compensation Corporation levy. This reduced revenue and costs as motor vehicle registry activity is delivered by agents that are paid a commission based on the number of transactions they process.

The other change was a review of the time spent managing the motor vehicle registry activity, which led to a reduction of resources compared with the budget.

IMPROVE CUSTOMER EXPERIENCES

Deliver innovative services and experiences that customers and citizens value

WHAT ARE WE AIMING FOR?

Through *Improve customer experiences* we aim to deliver timely, tailored and intuitive transport services and experiences for customers and citizens and to work with others to deliver greater value for New Zealand. We design and deliver services to improve customers' experience of the transport system and deliver greater value for New Zealand.

OUTCOME

Customers trust us to deliver intuitive experiences that meet their needs and preferences

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

To improve our customer's experience of transport services we launched online services for booking a practical driving test and applying for a replacement driver licence. Customers find the service intuitive and fast and completed 500 replacement transactions in the first seven weeks of operation.

Our indicator of customer and citizen experience considers the ease of transacting with us and the customer experience when using state highways. While the result decreased slightly from 63 percent to 62 percent, this change is not statistically significant.

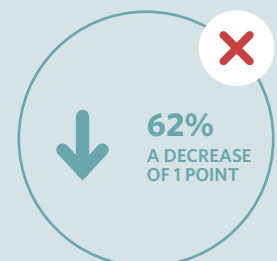
The State Services Commission asked New Zealanders about their experiences and views of public services through the annual Kiwis Count survey.⁹ Customer satisfaction with the quality of service received when licensing or registering a vehicle achieved a service quality score of 86 – an increase of 2 points from last year and an increase of 6 points over the past five years. Satisfaction with the service received when obtaining, renewing, changing or replacing a driver licence achieved a service quality score of 81 – an increase of 4 points from last year.

Work in other focus areas also contributed to improving the customer experience. For example, in licensing and regulatory compliance (*Keep people safe*, page 44), we expanded the suite of transactions available online, lifting the total number of online licensing transactions from 41 percent to 46 percent. The proportion of motor vehicle registry transactions completed online also increased, from 42 percent to 49 percent, 4 percentage points above target.

IMPROVE CUSTOMER EXPERIENCES HAS:

- 1 key performance indicator**
pages 54-55
- 2 significant activities**
page 55

KEY PERFORMANCE INDICATOR



LAUNCHING ONLINE DRIVER LICENCE REPLACEMENTS

We know customers' expectations are changing. They expect faster, more personalised experiences to access information and services in real time on their phones. Demonstrating that customers expect online services, without promotion over 500 customers used our new driver licence replacement service in the first seven weeks.

It turns out, if you build it, people will find it, use it – and love it. We were pleased that on day one, 15 people successfully replaced their licences online. Numbers have been steady since (around 3 percent of all replacement transactions) and we expect that proportion to grow. Customers find the new service intuitive and fast – licence cards arrive in a few days.

Not surprising, under-30s are by far the biggest user group. So we'll keep younger people in mind as we develop new services. And we'll continue to test new services with real customers, using what we've learnt.

Around 40 percent of transactions are completed when driver licensing agents are generally not available, so 'wherever, whenever' convenience is important for our customers. Our efforts to provide more choices online are informed by this kind of knowledge, and we're excited to be working on more ways to make customers' lives easier.



CUSTOMER AND CITIZEN EXPERIENCE

Customer service quality

⁹ State Services Commission (2018) *Kiwis count*, State Services Commission, Wellington. www.ssc.govt.nz/kiwis-count

DETAILED RESULTS: KEY PERFORMANCE INDICATOR

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
Customer and citizen experience	Index of customer service quality	Increase Baseline 63%	Decreased 62%	98	-1%

Customer service quality decreased 1 percentage point from last year. This variance is not statistically significant and within the acceptable margin of error for surveys.

The result is the unweighted average of two surveys: one focused on the customer experience on state highways (an overall customer satisfaction score of 49 percent) and the other on the ease of transacting with us (75 percent of customers surveyed said it required 'little effort' to deal with us).

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Making it easy to engage and do business with us

During the year, we launched an online service that allows customers with a verified RealMe identity to book practical driving tests and to apply for replacement driver licences and transport service licences online. This was the culmination of a great team effort, both with our partners (the Department of Internal Affairs and New Zealand Police) and throughout the Transport Agency.

We also worked closely with the Ministry of Business, Innovation and Employment to enable customers to access services using their unique New Zealand Business Number (NZBN). Being able to use their NZBN should dramatically reduce the time small, medium and large enterprises spend interacting with us. We expect to be able to identify our customers by their NZBN in December 2018.

THIS YEAR'S SIGNIFICANT ACTIVITIES		YEAR-END RESULT
5.1	Contribute to all-of-government initiatives including: <ul style="list-style-type: none"> enabling customers to use the New Zealand Business Number to access services further enhancements to the drive.govt.nz website. 	 ACHIEVED
5.2	Make it easy to engage and do business with us by enabling customers to apply for a transport service licence online.	 ACHIEVED

DELIVER CONNECTED JOURNEYS

Lead the integration of a digitally connected land transport system

OUTCOME

Digital solutions enable easier journeys for customers

WHAT ARE WE AIMING FOR?

Through *Deliver connected journeys* we aim to fast track the design and delivery of innovative technologies that enable connected journey experiences for customers. When we say 'connected' we mean digitally connected through the use of information and communication technology. This includes the connection of people to each other, vehicles and infrastructure. We deliver innovative digital solutions that enhance our customers' experience of the New Zealand transport system.

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

Through partnerships with stakeholders in Auckland and Queenstown we successfully tested two apps that connect customers with real-time, multimodal travel options and other information.

We introduced a new measure to track what people think about digital transport information through our apps and websites as well as digital solutions that use our data (such as Google).

We found that 70 percent of people thought the information they obtained digitally was 'very good' or 'fairly good'.

We used technology to help people to travel more safely and efficiently on urban road networks, launching a new national incident and event management system that allows our transport operations centres to more effectively clear obstacles and dangers.

To position ourselves to most effectively take advantage of emerging vehicle technology, we investigated the feasibility of such technology.

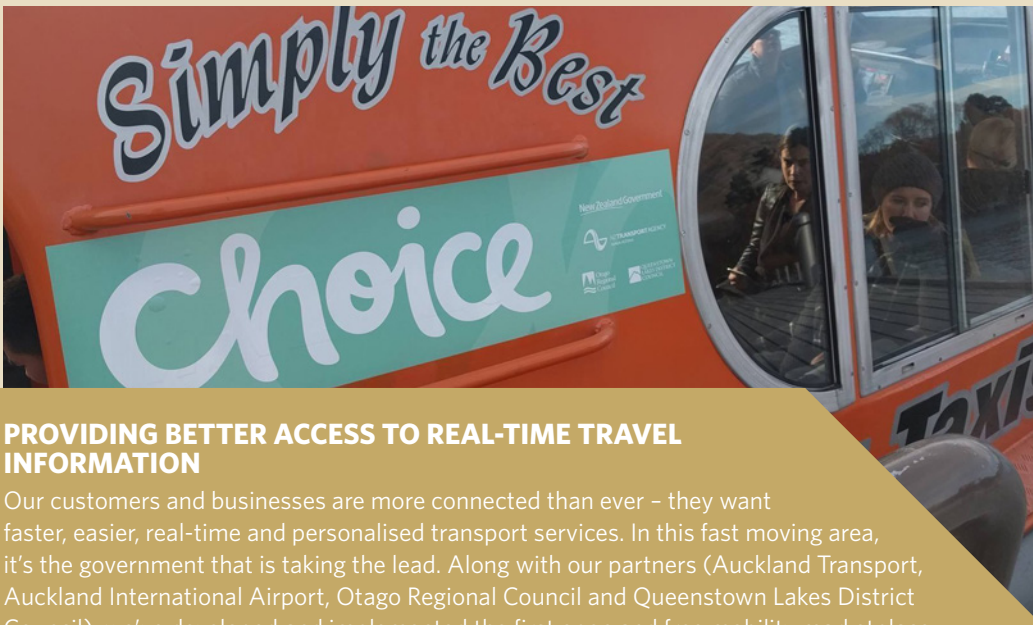
DELIVER CONNECTED JOURNEYS HAS:

1 key performance indicator
pages 56-57

3 significant activities
page 57

KEY PERFORMANCE INDICATOR

BASELINE
70%
WAS
ESTABLISHED



PROVIDING BETTER ACCESS TO REAL-TIME TRAVEL INFORMATION

Our customers and businesses are more connected than ever – they want faster, easier, real-time and personalised transport services. In this fast moving area, it's the government that is taking the lead. Along with our partners (Auckland Transport, Auckland International Airport, Otago Regional Council and Queenstown Lakes District Council), we've developed and implemented the first open and free mobility marketplace – a digital, real-time platform that connects transport providers' services with customers.

Two apps have been created to provide live transport information in Queenstown (Choice) and Auckland (RideMate). They make downloading different apps for the growing number of transport options a thing of the past.

RideMate and Choice provide people with real-time information about public transport, boats, taxis, shuttles and ride-share options. People can use the apps to compare available options based on time, cost or preferred mode of travel, then book and track their ride. Both apps are available in English, te reo Māori, German, Japanese and Mandarin, making these the first multilingual transport apps in New Zealand.

CUSTOMER AND CITIZEN EXPERIENCE

Satisfaction with digital solutions

DETAILED RESULTS: KEY PERFORMANCE INDICATOR

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
Customer and citizen experience	Index of digital solutions service quality (satisfaction with digital solutions)	Set baseline	70%	Not applicable	NOT APPLICABLE

This is a new measure of overall use of digital information, whether provided directly by the Transport Agency or by other providers using Transport Agency data. A survey of 2,000 people found that 24 percent (483) used digital solutions to help plan their trip. Of the 483, 70 percent rated the journey planning information they obtained as 'very good' or 'fairly good'. The survey also showed that most people who used digital solutions (75 percent) used Google maps rather than other travel advisory services and apps.

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Partnerships provide personalised transport services

To deliver digital solutions that support easier journeys for customers, we worked with valued partners in Queenstown and Auckland to test how we could change how different transport modes work together.

Based on the emerging concept of mobility as a service, we tested two downloadable mobile apps that created a single place for all transport providers – taxis, buses and ride-share operators – to offer their services to customers.

New technology enhances travel choices

The first app, called Choice, was offered to customers, particularly tourists, travelling in and around Queenstown. Created in partnership with Queenstown Lakes and Otago Regional Council, this real-time transport marketplace uses data feeds from service providers. Customers can book their preferred mode of transport and track their journey in real time. Being able to access these travel choices easily means tourists can make better decisions about how and when to travel and can spend more time making the most of being in Queenstown.




Satisfied that the Choice app was enhancing travel choices in Queenstown, we turned our attention to Auckland. With Auckland Transport and Auckland Airport, we co-created and launched the first real-time mobility-as-a-service app (RideMate) in Auckland. RideMate is available in English, te reo Māori, Japanese and Mandarin. As a world-first real-time mobility app, RideMate provides transport information in a free and open marketplace, helping customers get to and from Auckland Airport.

Alerting drivers to incidents and events

A new national incident and event management system was launched this year. This system logs and manages disruptions to the urban transport network across the country, replacing various regional applications.

Taking advantage of emerging vehicle technology

We completed a technical review and a feasibility report for trials of emerging vehicle technology. These trials will help position New Zealand to take full advantage of new vehicle technologies once they become mainstream.

THIS YEAR'S SIGNIFICANT ACTIVITIES		YEAR-END RESULT
6.1	Implement and evaluate a pilot in Queenstown and then Auckland Airport of a national real-time information platform that establishes a marketplace for customers to plan and book travel across modes.	 ACHIEVED
6.2	Launch the National Incident and Event Management System in Wellington and Christchurch.	 ACHIEVED
6.3	Support and align with the Ministry of Transport to plan and facilitate trials for emerging vehicle technologies.	 ACHIEVED

ACHIEVE ORGANISATIONAL EXCELLENCE

Provide exceptional organisational services and activities that are designed to meet Transport Agency needs

WHAT ARE WE AIMING FOR?

Through *Achieve organisational excellence* we design our organisational services and activities in partnership with the people who use them (our 'internal clients'). Insights and analytics help us identify emerging organisational needs, and, by being better integrated, we can eliminate duplication and waste.

OUTCOME

Organisational services are more innovative, responsive and cost-effective and provide the capabilities (people, systems, processes, practices, tools and skills) required to deliver our strategy

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

This year, we focused on building the capability we need for the future and improving how we engage and work with stakeholders. We developed a plan to modernise our information technology so we can deliver cost-effective customer services, and we progressed our stakeholder engagement framework by getting relationship plans under way.

The Innovation Zone we established in Auckland is a space where we can work creatively with our partners to address specific transport challenges. So far, facilitated design sessions have covered topics such as the safety of road workers and virtual reality in transport planning.

The capabilities of our people are essential to achieving organisational excellence. Our 'future of work' engagement across the Transport Agency and our developing workforce strategy will set us up for the future and to deliver our strategy.

We monitor organisational efficiency through two rating tools - the Performance Improvement Framework, run by the State Services Commission, and our internally led value-for-money programme. Our Performance Improvement Framework efficiency rating increased from 2.2 to 2.5 this year, a 'needs improvement' rating. Our maturity rating for our value-for-money programme also improved from 3.0 to 3.5. This rating reflects how prepared we are to assess our value for money. We also developed the programme to allow us to identify and start making improvements to the value for money of our business.

ACHIEVE ORGANISATIONAL EXCELLENCE HAS:

2 key performance indicators
pages 59-60

5 significant activities
pages 60-61



KEY PERFORMANCE INDICATORS



ORGANISATIONAL EFFICIENCY

Performance Improvement
Framework assessment ratings
(efficiency)



VALUE FOR MONEY

Value-for-money maturity

TACKLING TRANSPORT CHALLENGES THROUGH INNOVATION

Our Innovation Zone is a place where customers, stakeholders and partners join us in tackling the challenges of a smart, safe, sustainable and connected transport system.

Using tools from human-centred design and agile frameworks, we harness the expertise and diversity of thought of visitors to the Innovation Zone to develop new solutions in priority areas through a problem-based innovation approach. The Innovation Zone is a place where people can feel safe to try new ways of working and learn by doing – living our DNA by remaining ever curious as we co-design solutions with our customers.

Our facilitated design sessions have involved external partners such as New Zealand Police, WorkSafe New Zealand, Auckland University of Technology, the Dutch embassy, Datacom, Arup and the Auckland Motorway Alliance. These sessions tackle challenges such as increasing the safety of road workers and users, using virtual reality in transport planning, and looking at the role of transport in urban design for liveable cities.

We also help to develop solutions for internal challenges, such as new ways of working using design thinking and agile frameworks and enabling staff to get greater clarity under our new operating model.

DETAILED RESULTS: KEY PERFORMANCE INDICATORS

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
Organisational efficiency	Index of Performance Improvement Framework assessment ratings (efficiency)	Increase Baseline 2.2	Increased 2.5	114	+0.3
Value for money	Index of value-for-money maturity	Maintain Baseline 3.0	Increased 3.5	117	+0.5

The State Services Commission's Performance Improvement Framework review of the Transport Agency in April 2018¹⁰ found our efficiency in using resources increased to 2.5 from a 2.2 baseline (in March 2017). On the review's four-point scale, 2.5 means 'needs improvement'. Although we are improving, we still have work to do to improve how well we use people, relationships, information technology, business practices and tools to maximise the benefits we deliver to New Zealanders. We have identified responses to meet the challenges identified in the review and will deliver and monitor their progress through our business plan for 2018-21.

Value-for-money maturity describes how well the systems and processes in each of our output classes are set up to allow a value-for-money assessment on a scale of 1-4. The baseline maturity set in 2016 was 71 percent (or 3 on the scale). We undertook a targeted review this year, reviewing, for each output class, up to 8 of the possible 18 elements that we rate ourselves against. This resulted in a maturity of 76 percent (or 3.5 on the scale), which is an average of ratings across economy, efficiency, effectiveness and equity for all output classes.

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Building our capability

In our drive for year-on-year improvements in people development and performance management practices, we focused our attention on developing a workforce strategy and engaging with staff on the 'future of work'. The strategy will help ensure we have the right people to deliver our work programme and identify capability needs and gaps.

We also developed a plan to modernise our information technology infrastructure. The plan is already delivering improved digital experiences for our customers, better regulatory systems, new digital asset management, bolstered cyber-security capability and improved collaboration tools.

Improving the value for money of our activities and investments

This year we established a value-for-money framework that allows us to identify and start improving the value for money of our business. The framework consists of:

- ongoing measurement of how well our systems and processes assess value for money
- our value-for-money performance across economy, efficiency, effectiveness and equity.

¹⁰ Full details of the review are in State Services Commission (2018) *Performance Improvement Framework: Review for the New Zealand Transport Agency Waka Kotahi*, State Services Commission, Wellington. www.ssc.govt.nz/sites/all/files/pif-nzta-review-april2018.pdf

Guiding our actions and interactions with stakeholders

During the year, we made significant progress on developing relationship models and plans that will guide our understanding of our stakeholders and how we can best interact with them. This work is part of building our stakeholder engagement framework and improving how we engage with stakeholders and work with partners. We want clarity about their needs as well as the outcomes we are seeking.

Tackling transport challenges through innovation

An exciting step towards achieving organisational excellence was establishing the Innovation Zone, which included securing and fitting out a physical space as well as finding the people to lead it. The idea behind the Innovation Zone is to create a space where people feel free to work with our partners in ways that foster creative and out-of-the-box design thinking to address specific transport challenges.

THIS YEAR'S SIGNIFICANT ACTIVITIES	YEAR-END RESULT
<p>7.1 Identify our capability needs to deliver our new strategy and create a plan to fill any gaps.</p> <hr/> <p>Through workshops with staff and a review of both capability and capacity we considered the capability needed to deliver our new strategy and align with our business planning cycle. A workforce strategy is under development.</p>	 ACHIEVED
<p>7.2 Develop a plan to modernise our information technology infrastructure so we can deliver cost-effective customer services and solutions.</p>	 ACHIEVED
<p>7.3 Develop relationship plans for our key stakeholders to strengthen and clarify how we engage and work with our partners.</p> <hr/> <p>We made significant progress this year. We developed our relationship model and defined our key stakeholder list. Relationship plans are still under development.</p>	 SUBSTANTIALLY ACHIEVED
<p>7.4 Develop and begin to implement action plans to improve the value for money of our output class investments.</p>	 ACHIEVED
<p>7.5 Establish the space, tools and partnership arrangements for an innovation zone and run innovation design challenges with our partners to address specific transport challenges.</p>	 ACHIEVED

TRANSFORM THE TRANSPORT AGENCY

Create one strategy-led, people-centred organisation that is fit for the future

OUTCOME

We have become a people-centred, strategy-led organisation that is supported by a robust strategy-to-action process

WHAT ARE WE AIMING FOR?

Through *Transform the Transport Agency* we aim to collaboratively lead, manage and embed organisational change so we think, act and organise as an integrated, strategy-led, people-centred agency. We will realise the opportunities we identified from our assessment against the Performance Improvement Framework to lift our performance and meet the challenges ahead of us. We are changing the way we think, act and are organised to become one integrated agency, focused on serving customers and citizens in innovative ways.

PERFORMANCE SUMMARY: WHERE DID WE GET TO?

This focus area centres on how we organise ourselves, how effectively we translate strategy to action and how we work.

We launched our new operating model and structure on 3 July 2017 and have been embedding the transformation into what we do and how we do it. An important part of this work was developing our business plan for 2018–21 to ensure we deliver the right activities in line with our strategy.

Our people have been focused on understanding what is expected of them in new roles and moving to a 'team of teams' approach to collaborate across groups and locations. Our transformation also includes shifting to a new DNA (culture) over the next 3–5 years. While our measure of organisational culture dropped this year, this is not unusual with change of this scale. We are supporting our people and people leaders to build our DNA in their teams, practices and processes.

A major goal of the transformation was to increase our organisational effectiveness. An independent review showed a slight decrease in our Performance Improvement Framework rating of effectiveness this year. We are responding to the review recommendations and, as with the 'Ask our team' survey result, will be looking to improve our rating as we continue to embed the transformation.

TRANSFORM THE TRANSPORT AGENCY HAS:

2 key performance indicators
pages 62–64

3 significant activities
page 65

KEY PERFORMANCE INDICATORS



ORGANISATIONAL EFFICIENCY

Performance Improvement Framework assessment ratings (effectiveness)



ORGANISATIONAL CULTURE

Organisational culture (maturity of organisational practices %)



PROVIDING BETTER VALUE THROUGH TEAMING

Teaming up in new ways to provide better value for our customers is a great outcome from our work to transform the Transport Agency. Our new 'team of teams' approach means we can bring together the right people with the right skills to solve problems and deliver great results.

In March this year, the northern tip of the Far North was cut off for several days when heavy rain and a washout tore a 20-metre hole in the state highway north of Kaitiāia. Teams worked quickly and effectively together to repair the road and restore connections for northern communities. System Design and Delivery, Customer Design and Delivery and Governance, Stakeholders and Communications were all involved. Daily conferences, stakeholder updates and media releases kept everyone informed in a timely fashion.

Summit Forests allowed public vehicles to use its private track through the forest to bypass the washout, and the police managed morning and evening convoys of more than 150 vehicles making the 40-minute journey. Local authorities, emergency services and civil defence worked closely to ensure the welfare of local people.

Collaboration and teaming meant we were able to achieve fast, efficient and the best possible outcome for our customers and communities in Northland.

DETAILED RESULTS: KEY PERFORMANCE INDICATORS

For technical notes, see appendix 2, page 159.

MEASURE	KEY PERFORMANCE INDICATOR	2017/18 DESIRED TREND	2017/18 ACTUAL	2017/18 ACTUAL (INDEXED)	VARIANCE
Organisational effectiveness	Index of Performance Improvement Framework assessment ratings (effectiveness)	Increase Baseline 2.7	Decreased 2.6	96	-0.1
Organisational culture	Index of organisational culture (maturity of organisational practices %)	Maintain Baseline 66% ¹	Decreased 56%	85	-10%

¹ This baseline has been adjusted from the baseline of 61 percent published in *Statement of performance expectations 2017/18*. This is because the results are based on the March 2018 survey that used eight rather than all questions that were used to create the original baseline. The next six-monthly survey will cover all questions.

The State Services Commission's Performance Improvement Framework review found a slight decrease in our effectiveness delivering our core activities to 2.6 from the 2.7 baseline (in March 2017). On the review's four-point scale, 2.6 means 'needs improvement'. We have more work to do to improve how well we use our resources to maximise the benefits we deliver to New Zealanders. We have identified responses to meet the challenges identified in the review and will deliver and monitor their progress through our business plan for 2018–21.

We undertook the 'Ask our team' survey in March 2018. The survey sought feedback from staff on how they feel about working at the Transport Agency. Over 1,100 people (80 percent) responded and made over 2,500 responses to the free-text questions. The result of 56 percent means that on average, people rated the survey assertions as 'somewhat agree' on a scale from 'strongly agree' to 'strongly disagree'. This is a 10 percentage point decrease from the baseline, which is expected following the transition to our new operating model on 3 July 2017.

Following the Ask our team results, four work streams led by tier-three managers were established focused on:

- **decision-making:** simplify decision-making and bring greater clarity to improvements to formal decision making (that is, delegations, accountabilities and business planning) as well as helping people to work together in new ways
- **clarity beyond own role:** develop a relationship-building approach that enables everyone to quickly and effectively grow their network of relationships to improve business and customer outcomes
- **creating an environment people want to be part of:** enable the development of an environment at the Transport Agency so people feel seen, connected and valued
- **collective leadership:** create a senior leadership collective that builds and drives the culture and values of senior leaders to enable our people to connect with our strategy and our customers.

Phase one has seen the streams focus on identifying and addressing quick wins, as well as setting a more detailed work programme for the future. Phase two will involve a wider range of people across the Transport Agency to build collective ownership of these priorities. Achievements are being communicated regularly and through our senior leader forums.

DETAILED RESULTS: SIGNIFICANT ACTIVITIES

Embedding the transformation

Our new operating model and structure were launched on 3 July. In the year that followed, new teams were formed and new functions clarified and understood. People focused on identifying how foundational transformation elements such as changed processes, delegations and systems would work together to support success for everyone. The transition included guidance, tools and an organisational plan for ongoing development and support. Throughout the year, senior leaders visited offices across the country to listen to people's feedback about the change and talk about where we are at in the transformation journey.

Delivering our one agency business plan




Our one agency business plan is a core element of the transformation. By applying lessons from the 2017/18 plan and navigating the business impacts of a new government and its priorities, the next business planning cycle was successfully executed. The 2018–21 business plan shows a better line of sight from strategy to individual performance development plans, clearly identifying programmes of work and core functions, including lead groups, related focus areas and business priorities.

Building our DNA

During this first year of the transformation, people have focused on understanding what's expected of them in their new roles. To help people think and act differently, we've adopted simple teaming practices that support people to work collaboratively and in relatively short, intensive bursts (or 'sprints'). We regularly test proposed solutions with our customers and then improve them (or 'iterate') in response to customer feedback. We've encouraged a 'team of teams' approach to work across groups and include people from remote locations.

Our people and leadership expectations have been launched, signalling the behaviours and capabilities that demonstrate our new ways of working. These behaviours and capabilities are reinforced through our performance and development planning and recruitment processes. We also launched the Great Leaders Programme to equip our leaders to create a powerful team-based organisation.

Next year, we will focus on supporting people leaders to build the DNA in their teams, practices and processes.

THIS YEAR'S SIGNIFICANT ACTIVITIES	YEAR-END RESULT
8.1 Implement a transition plan with supporting guidance and tools for change management to effectively transition our people into their new roles and teams.	 ACHIEVED
8.2 Identify and implement a programme of improvements to our centralised business planning framework. (The new framework, which uses our strategy to direct business planning, resource allocation and performance measurement for the entire Transport Agency, was established in 2016/17.)	 ACHIEVED
8.3 Develop and shift our DNA (how we work): customer focus to deliver value, collaborate to achieve as one and curious to cultivate innovation.	 SUBSTANTIALLY ACHIEVED
<p>This year's focus was on creating an understanding of our cultural aspirations and how we need to think and act differently to achieve our goals. While we made progress, our people's attention has been focused on understanding what is expected of them in their roles and navigating our new operating model, which has slowed progress in moving our culture.</p>	

