

SECTION A

# OVERVIEW OF 2018/19



# CHAIR AND EXECUTIVE OVERVIEW

This is the first year of delivering the 2018–21 National Land Transport Programme (NLTP): a three-year, \$16.9 billion investment by the Transport Agency, local government and the Crown in response to the Government Policy Statement on land transport 2018/19–2027/28 (GPS).

In the GPS, the government makes it clear it wants a safer transport system that's free of death and injury; accessible and affordable transport; with reduced emissions; and value for money. The government has emphasised the impact that land-transport planning can have on society, the environment and the economy. The 2018–21 NLTP reflects the government's expectations that transport infrastructure will lead growth; respond to social deprivation; and shape towns and cities that people are proud to live in, work in and visit.

To ensure that new land-transport investments focus on the government's priorities, we have revised the assessment criteria for deciding which transport projects will be funded by the National Land Transport Programme. We've also included performance measures that align with the GPS in the Transport Agency *Statement of intent*. These measures tell us how the land-transport system is performing in relation to the results the government expects to see for New Zealanders in the short, medium and long-term. Where we already have data for some measures, such as access to social and economic opportunities, we've included it in this report.

Over the last year, we've put a lot of work into initiatives that respond to a significant change in direction.

We've invested 28 percent of NLTP (\$1,343 million) in improving safety; 59 percent (\$2,871 million) in improving access; and 13 percent (\$647 million) in reducing harm to the environment.<sup>17</sup>

We've prepared a national plan that will encourage people to make greater use of public transport and to walk and cycle more, by making those modes of transport more attractive and affordable. We've also worked with our regional partners on their plans to shift people to these modes of transport. Our new sustainability action plan is the first step in a long-term commitment to significantly reduce the adverse impacts that land transport has on people, the environment and the climate. We've been working closely with the Ministry of Transport on a road safety strategy to replace Safer Journeys, and, with NZ Police, we've developed a new framework to monitor how the Road Safety Partnership Programme is performing.

This year the Transport Agency has continued making good progress with existing projects in the regions and major centres. Some of this year's highlights include improving State Highway 20A to and from Auckland Airport; installing the Maungatapu underpass in Bay of Plenty; a roundabout at the intersection of State Highway 2, State Highway 2B and Watchman Road near Hawke's Bay Airport; and a pair of one-way cycle lanes in Dunedin. Our local government partners have continued delivering important transport projects in the regions, and we've included details of these in the regional highlights section of this report. For the first time, this year the 2018–21 NLTP has invested in rapid transit and transitional rail infrastructure, which are modes of transport that can move large numbers of people and reduce people's reliance on private vehicles.

Our new sustainability action plan is the first step in a long-term commitment to significantly reduce the adverse impacts that land transport has on people, the environment and the climate.

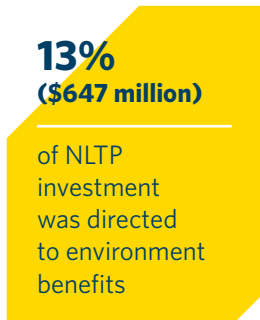
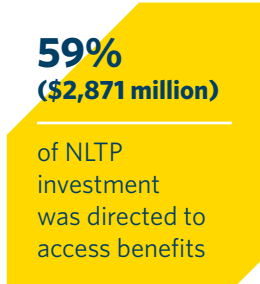


The National Land Transport Fund has spent 95 percent of its budget this year. Some of the larger activities, such as improving state highways, spent less than we planned. However, our forecasts show that expenditure will increase significantly over the remaining two years of the 2018–21 NLTP.

When we’re prioritising how to use land transport funding, we must stay mindful of the long-term funding constraints that we and our regional partners face. Pressure on the National Land Transport Fund means it will be hard to meet all the government’s expectations for transport with the money that’s available. At the same time, however, the Transport Agency and its co-investment partners need to work harder to keep their major projects on track, so that they make the best use of funding that’s been allocated to them.

Achieving the government’s priorities relies on the Transport Agency working closely with our co-investors and partners to deliver the 2018–21 NLTP – collaborating on planning and delivering projects is critical to us achieving an integrated transport system. We need to be more open and transparent in our relationships with others and work together to get the best value from the funding we have. We’ve asked our co-investors what they think of us and have undertaken to use the results of this survey to shape our work in future. Te Ara Kotahi | Our Māori Strategy outlines how we work with Māori and respond to their aspirations while we deliver transport solutions.

The Transport Agency is looking ahead and getting prepared to deliver the next GPS. It is revising its investment decision-making framework; gathering baseline information, so we can measure the benefits of our land-transport investments against a range of social, economic and environmental performance indicators; and planning for the long term. Our 10-year plan, Arataki, outlines the big changes we need to make to achieve the government’s vision for land transport in New Zealand. All this means safer, more accessible transport, better regional and local roads and rail, and better value from investments.



**SIR BRIAN ROCHE**  
Chair

**MARK RATCLIFFE**  
Interim Chief Executive

<sup>17</sup> This includes funding from the National Land Transport Fund, local share and the Crown (it excludes investment from the Provincial Growth Fund).

# TE PŪTEA Ā-MOTU O TE ARA HAERE Ā-WHENUA PŪRONGO Ā-TAU TIROHANGA A TE TIAMANA ME TE TUMU WHAKARAE

Ko ia tēnei te tau tuatahi o te whakarato i te Hōtaka ā-Motu o te Ara Haere ā-Whenua o 2018-21 e Waka Kotahi, e ngā kaunihera ā-rohe, me te Karauna hei whakautu i te Kaupapa-Here o te Kāwanatanga mō te ara haere ā-whenua 2018/19 - 2027/28.

Ki taua Kaupapahere, e mārama ana te hiahia a te kāwanatanga kia kaha ake te pūnaha ara haere kore aituā, kore haranga hoki; he wātea, he utu māmā; he iti iho nō te pihautanga; he mārama nō te uara ā-pūtea. Nāna i miramira te pānga o te rautaki o te ara haere ā-whenua ki te papori, te taiao, me te ōhanga. Kei taua Hōtaka ā-Motu o te Ara Haere ā-Whenua o 2018-21 rā anō ngā manako a te kāwanatanga mā te hangahanga o te ara haere e ārahi te tupu me te tupe o te papori; te waihanga o te taone me te taonenui e whai whakahīhi ai te nōhanga, te mahinga, me te toronga e te tangata.

Kia whakatūturuia te hāngai pū o ngā tāpaenga hou o te ara haere ā-whenua ki ngā whakamātuatanga a te kāwanatanga, kua whakahouhia e mātou te paearu arotakenga o te tuku pūtea ki ngā kaupapa ara haere. Kei reirā rā anō ngā paearu mahi e herea ana ki te Kaupapahere Kāwanatanga o te takune a Waka Kotahi. Kei ēnei paearu te inetanga o te pūnaha ara haere ā-whenua e pā ana ki ngā hua e manakohia ana e te kāwanatanga mō ngā Iwi o Aotearoa ki te wā poto, wā roa hoki. Ko ngā raraunga kua riro kē i a mātou pērā me te wātea ki ngā angitū ā-papori, ā-ōhanga hoki kei roto o tēnei pūrongo.

Nō roto o te tau kua hori nei he whakapaunga o ō mātou kaha ki ngā kaupapa o te whai ahunga rere kē atu anō. Ko tā mātou inenga ka 28 ōrau pea (\$1,343 miriona) o te tāpaenga ki ngā hua haumarū, ka 59 ōrau (\$2,871 miriona) ki ngā hua o te whai wātea, ā, ka 13 ōrau (\$647 miriona) ki ngā hua ā-taiao.

Kua whakatikahia e mātou tētahi rautaki ā-motu hei akiaki i te iwi kia kaha ake te whakamahi i te ara haere ā-tūmatanui, te hīkoi me te pahikara, mai i te whakareia me te utu māmā ake o ēnei tūmomo ara haere. Kua mahitahitia hoki me ō mātou hoa ā-rohe ki ā rātou rautakinga ki te whakanuku i te iwi ki ēnei tūmomo ara haere. Ko tā mātou rautaki whakauka te ūpane tuatahi ki te herenga mauroa ki te kaha kē ake o te whakaiti i ngā pānga kōtonga o te ara haere ā-whenua ki runga ki ngā iwi, ki te taiao me te ahurangi. He mahi ngātahi tā mātou me Te Manatū Waka ki tētahi rautaki rori-haumari hei whakakapinga mō Haerenga Haumarū; ā, he whakawhanaketanga ngātahi me Ngā Pirihimana o Aotearoa i te anga mātāi i te mahi a te Hōtaka Haumarū Mahi Ngātahi.

I tēnei tau ka ahu whakamua a Waka Kotahi ki ā mātou kaupapa mō ngā rohe me ngā pokapū matua. Ko ētahi o ngā hirahira ko te whakapaitanga ake o Rori Matua 20A e pātata ana ki te Paparererangi o Tāmaki -makaurau; me te tāuta o te anaroa o Maungatapu ki Tauranga; te hurihanga ki te pūtahitanga o Rori Matua 2, Rori Matua 2B me Watchman Road e pātata ana ki te Paparererangi o Te Matau O Te Ika; me tētahi tokorua o te ara pahikara ahunga-ara kotahi ki Otepoti. E haere tonu ana te whakarato a ō mātou hoamahi o ngā kāwanatanga ā-rohe i ngā kaupapa ara haere nui ki ngā rohe, ā, ko ngā whakamārama kei te wāhanga o ngā hirahira ki ngā rohe ki tēnei pūrongo. Kātahi anō ka tīmata te tāpae a te Hōtaka ā-Motu o te Ara Haere ā-Whenua 2018-21 i te hanganga o te whakawhitinga tere, rerewē hoki, arā, i ngā momo ara haere whakanuku i te tokomaha, me te whakaiti ake i te here a te iwi ki te motukā paraiwete.

Ko tā mātou rautaki whakauka te ūpane tuatahi ki te herenga mauroa ki te kaha kē ake o te whakaiti i ngā pānga kōtonga o te ara haere ā-whenua ki runga ki ngā iwi, ki te taiao me te ahurangi.



Kua pau te 95 ōrau o te Pūtea ā-Motu o te Ara Haere ā-Whenua mō tēnei tau. Ko ētahi o ngā kaupapa nui ake, pērā me te whakapai ake i ngā rori matua, he iti ake te whakapau i tā mātou i whakaaro ai. Heoi anō kei ō mātou matapae ka nui ake te whakapaunga pūtea ki ngā tau e rua e toe ana ki te 2018-21 NLTP.

I a mātou e whakamātua ana i te whakapaunga o te pūtea ara haere ā-whenua, me whai whakaaro tonu mātou ki ngā here o te rautakinga wā-roa kei mua i a mātou me ō mātou hoa mahi ā rohe. Nō te pēpēhi ki runga o te Pūtea ā-Motu o te Ara Haere ā-Whenua me te kore haere ōna he uaua te tūtaki i ngā manako a te kāwanatanga mō te ara haere. Heoi anō me kaha kē ake te mahi a Waka Kotahi me ōna hoa tāpaenga ki te whakatutuki i nga kaupapa matua, kia kitea ai te tika o te whakamahi i te pūtea e wātea ana ki a rātou.

Mā te mahi ngātahi a Waka Kotahi me ō mātou hoa mahi, hoa tāpaenga hoki ki te whakarato i te 2018-19 NLTP – he mea nui whakaharahara te mahi ngātahi ki te rautaki me te whakarato kaupapa ki te whakatutukinga o te punaha ara haere pāhekoheko. Me kaha kē ake te mārama, te pono hoki ki ō mātou whanaungatanga me te mahi ngātahi ki te matua whai uara mai i te pūtea e wātea ana ki a mātou. Kua uiuia ō mātou hoa tāpaenga ki ā rātou whakaaro mō mātou, mai i reirā te waihanga i ā mātou mahi haere ake nei. Kei Te Ara Kotahi tā mātou rautaki ki te mahi tahi me Ngāi Māori, me te whakautu i ā rātou hiahia ki te whakarātonga o ngā whakataunga o te ara haere.

Kei te titiro whakamua a Waka Kotahi kei te whakatika i te Kaupapahere Kāwanatanga o muri tata tonu mai. Kei te whakahoutia tā mātou anga whakaritenga tāpaenga; kei te kohia ngā mōhiohio matua e taea ai te ine i ngā hua o ā mātou tāpaenga ara haere ā-whenua ki ngā momo paearu mahi ā-papori, ā-ōhanga, ā-taiao mō te wā roa. Kei tā mātou rautaki 10-tau, Arataki, ngā whakarerekētanga nui hei whai mā mātou kia tutuki pai ai te whakakitenga o te kāwanatanga mō te ara haere ā-whenua o Aotearoa. Tōna mutunga iho, he kaha ake o te wātea ki te ara haere, he pai ake o ngā rori me te rerewē ā-rohe, ā-takiwā, he uara anō mai i ngā tāpaenga.

**28%**  
**(\$1,343 miriona)**

o te tāpaenga o  
NLTP ki ngā hua  
haumarū

**59%**  
**(\$2,871 miriona)**

o te tāpaenga o  
NLTP ki ngā hua  
whakawātea

**13%**  
**(\$647 miriona)**

o te tāpaenga o  
NLTP ki ngā hua  
ā-taiao



**SIR BRIAN ROCHE**

Tiamana



**MARK RATCLIFFE**

Tumu Whakarae o te Wā

# ABOUT THIS REPORT

The Transport Agency is responsible under the Land Transport Management Act 2003 (section 11) for allocating and investing the National Land Transport Fund and preparing the National Land Transport Programme. The Transport Agency must prepare an annual report on the National Land Transport Fund, including how the activities funded under the National Land Transport Programme contribute to the Government Policy Statement on land transport.

The outcomes and achievements presented in this report are the result of a collective investment in land transport and the efforts of all those delivering the activities in and around the National Land Transport Programme. The activities in the National Land Transport Programme are planned, invested and delivered in partnership between the Transport Agency, local and regional authorities, New Zealand Police and other transport sector partners. Where the Transport Agency is funded to deliver activities in the National Land Transport Programme, performance is also reported in the Transport Agency's annual report.

This is the first annual report against the Government Policy Statement on land transport for 2018/19 to 2027/28.

## STATEMENT OF PERFORMANCE FOR ACTIVITY CLASSES FUNDED BY THE NATIONAL LAND TRANSPORT FUND

The following information forms the statement of performance for the activity classes funded by the National Land Transport Fund.

<b>Activity class</b>	<b>Page</b>
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Local road maintenance	<b>221</b>
Road safety promotion and demand management	<b>222</b>
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In some cases, the Transport Agency solely delivers these activities, in others it delivers them with local authorities, and in others it invests in the activities through the National Land Transport Programme but does not deliver them.

# ABOUT THE LAND TRANSPORT INVESTMENT SYSTEM

## GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT

The government's priorities for the land transport system are outlined in the Government Policy Statement for land transport for 2018/19 to 2027/28. The Government Policy Statement focuses on creating a safe, resilient, well-connected and multimodal transport system that enables new housing opportunities, liveable cities and sustainable economic development in regional New Zealand.

The Government Policy Statement guides decision-making on where investment and resources will be focused over the next 10 years. It provides guidance on how the Transport Agency will invest each year from the National Land Transport Fund, signals how much money local government will invest each year, and details further Crown investment per year.

The Government Policy Statement's four strategic priorities for the land transport system are:

- safety
- access
- environment
- value for money.

To achieve the government's strategic priorities for the land transport system, the Transport Agency is guided by the three themes in the Government Policy Statement that set out how the government intends the priorities to be delivered. The Transport Agency is working with others to:

- apply a **mode-neutral** approach to transport system investment
- use **technology and innovation** to improve performance
- **integrate land use and transport planning and delivery** activities.

## THE 2018-21 NATIONAL LAND TRANSPORT PROGRAMME

The National Land Transport Programme is a three-year programme of all the land transport activities in the areas of public transport, road maintenance and improvements, walking and cycling, rapid transit, and transitional rail activities. The National Land Transport Programme forecasts 10-year funding and expenditure to give effect to the Government Policy Statement on land transport.

A total of \$16.9 billion is expected to be invested through the 2018-21 National Land Transport Programme, including \$13 billion from the National Land Transport Fund, \$3.4 billion from local authorities, and \$547 million in additional Crown funding to deliver specific programmes (see figure 1).

The National Land Transport Programme represents a snapshot of:

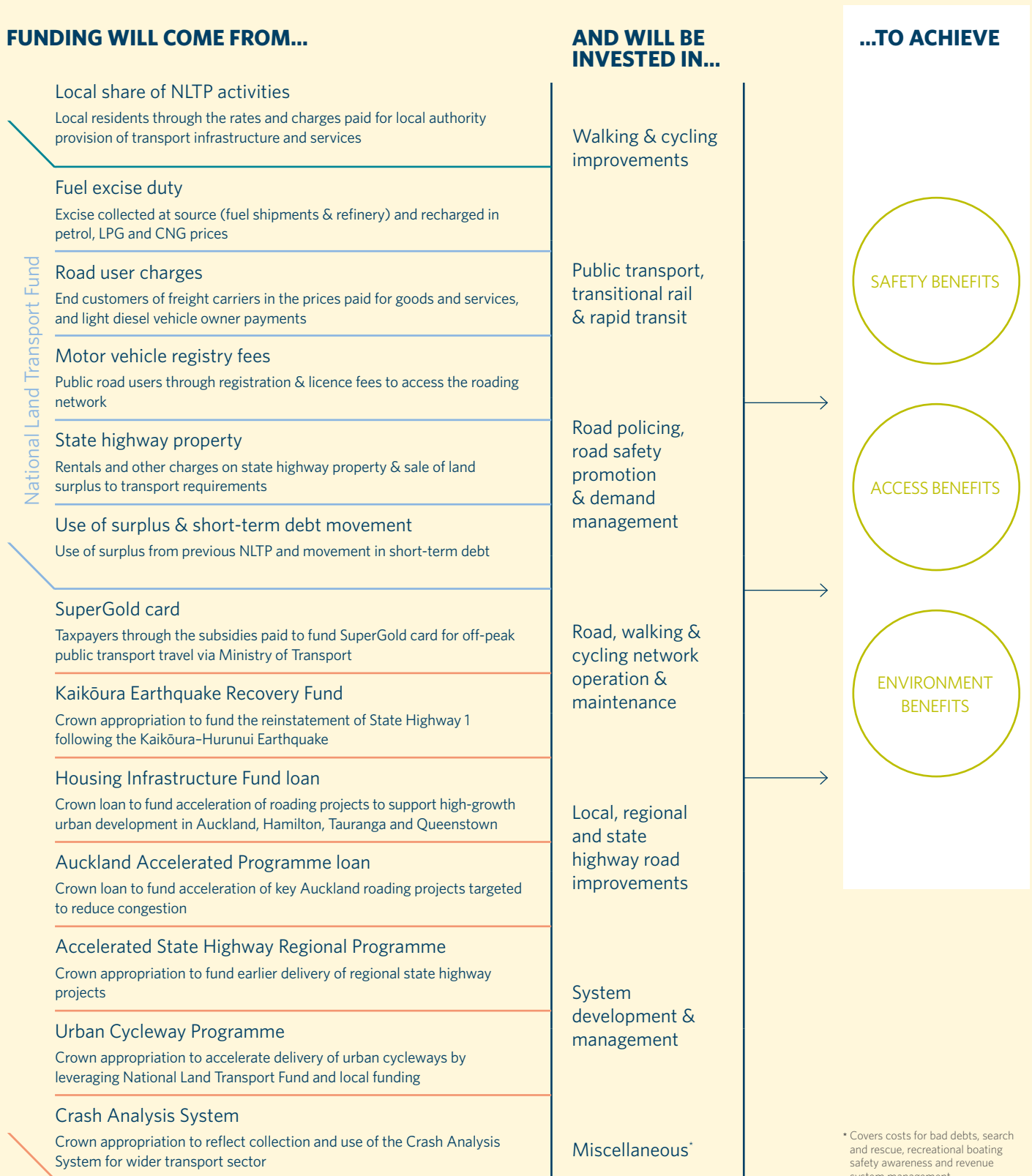
- committed funding from previous National Land Transport Programmes for transport improvements that are generally large scale
- continuous programmes the Transport Agency delivers every day, such as public transport and road maintenance
- upcoming activities the Transport Agency will consider funding, which are developed collaboratively using the Government Policy Statement and Regional Land Transport Plans.

## NATIONAL LAND TRANSPORT FUND

The National Land Transport Fund is a dedicated fund for maintaining and developing local and national transport services. It is a partnership between the Transport Agency, which uses the National Land Transport Fund to invest on behalf of the Crown, and approved organisations<sup>18</sup> that invest local funding on behalf of ratepayers.

<sup>18</sup> An 'approved organisation' is a regional council, a territorial authority or an approved public organisation such as the Department of Conservation.

Figure 1 – Revenue sources and activity classes for the 2018–21 National Land Transport Programme



\* Covers costs for bad debts, search and rescue, recreational boating safety awareness and revenue system management.



## TRANSPORT AGENCY'S INVESTMENT ROLE

The Transport Agency's primary objective under the Land Transport Management Act 2003 is to undertake its functions in a way that contributes to an effective, efficient and safe land transport system in the public interest.

The Transport Agency's investment role is to allocate funding, across transport modes, in line with the Government Policy Statement on land transport to build an affordable, integrated, safe, responsive and sustainable land transport system. This funding allocation role involves balancing national, local and regional short-, medium- and long-term priorities. The Transport Agency works closely with co-investment partners and stakeholders (local communities and national policy makers) to determine the transport solutions that will work best for New Zealand.

The national land transport funding and assessment system is illustrated in figure 2, page 199.

### Investment principles

When considering the best mix of activities to receive investment funding, the Transport Agency follows 10 principles.

- A **partnership** approach, founded on trust, clarity and accountability, aligns regional and local investments with the Transport Agency's national priorities to optimise their shared investment and deliver whole-of-network benefits.
- A **business case** approach supports planning and investing for outcomes, achieves value for money, and supports stakeholder collaboration early in the investment process.
- An **integrated** approach to land use and transport planning optimises existing and new investments in the transport network, supports access to social and economic opportunities, and fosters liveable cities and thriving regions.
- A **whole-of-network** approach, targeting areas of greatest need, achieves an optimised, integrated transport network that is fit for purpose and provides best value for money.
- A **value-for-money** approach delivers the right outcomes, at the right time and at the right cost.
- A **risk-based** approach ensures risks are considered and managed through the planning to delivery process, including financing, for all transport activities funded from the National Land Transport Fund.
- The **Safe System** approach to planning, improving, maintaining, renewing and operating components of the land transport system supports the achievement of a land transport system that is free of death and serious injury.
- A **socially and environmentally responsible** approach results in land transport investments that improve overall community wellbeing and avoid or mitigate the adverse environmental effects of transport.
- Users of the land transport system who provide revenue into the National Land Transport Fund will benefit from its investments; other beneficiaries, should **pay for the benefits** they receive (as a general principle).
- The **scrutiny principle** is applied when making decisions in respect of land transport and planning and funding and ensures the Transport Agency gives the same level of scrutiny to its own proposed activities and combinations of activities as it would give to activities proposed by approved organisations.<sup>19</sup>

<sup>19</sup> The scrutiny principle is set out in the Land Transport Management Act 2003 (section 96) and relates to Transport Agency decisions in respect of land transport and planning and funding under subpart 1 of part 2 of the Act. A report on the implementation of systems and procedures to give effect to the scrutiny principle is included in the Transport Agency annual report (page 144).

### Assessing investment proposals

The Investment Decision Making Framework is used by the Transport Agency to assess and prioritise investment in land transport. The Transport Agency uses this framework to identify, assess and prioritise National Land Transport Programme investment proposals. The framework aligns with the Government Policy Statement, making sure investments in land transport infrastructure and services deliver the outcomes and priorities that the Government has set out in the government Policy Statement.

The Investment Assessment Framework forms part of the Investment Decision Making Framework (see the value for money section on page 213). Approved organisations, such as local and regional councils use the Investment Assessment Framework to assess their business case approach when developing proposed land transport activities for inclusion in Regional Land Transport Plans to ensure these proposals align with the priorities of the Government Policy Statement.

At each decision point during the development of a proposal, the Transport Agency uses the Investment Assessment Framework to check the proposals meet investment criteria and to determine what proposals in the regional plans will be prioritised for inclusion in the National Land Transport Programme and what proposals should be funded.

Two criteria in the Investment Assessment Framework are used to prioritise proposed activities.

- The **results alignment assessment** rates the proposal's degree of alignment with the results specified in the Government Policy Statement. This criteria focuses on customer service levels as an outcome and an integrated approach that targets the right results in the right places.
- The **cost-benefit appraisal** considers how well the proposed solution maximises the value of what is produced from the resources used and the timelines of intervention. The default assessment of improvement activities is the benefit to cost ratio, although other assessments may be used in certain circumstances; for example, cost-effectiveness and performance comparisons are used for road maintenance and public transport programmes.

The benefits management and the Investment Assessment Framework are linked through the assessment of the business case, which seeks evidence of critical thinking applied to the investment proposal. The business case approach means investment proposals are documented and includes robust consideration of issues, potential solutions and the benefits of those solutions. Use of the Investment Assessment Framework means investment proposals are assessed clearly and transparently.

Figure 2 – National land transport funding and assessment system

