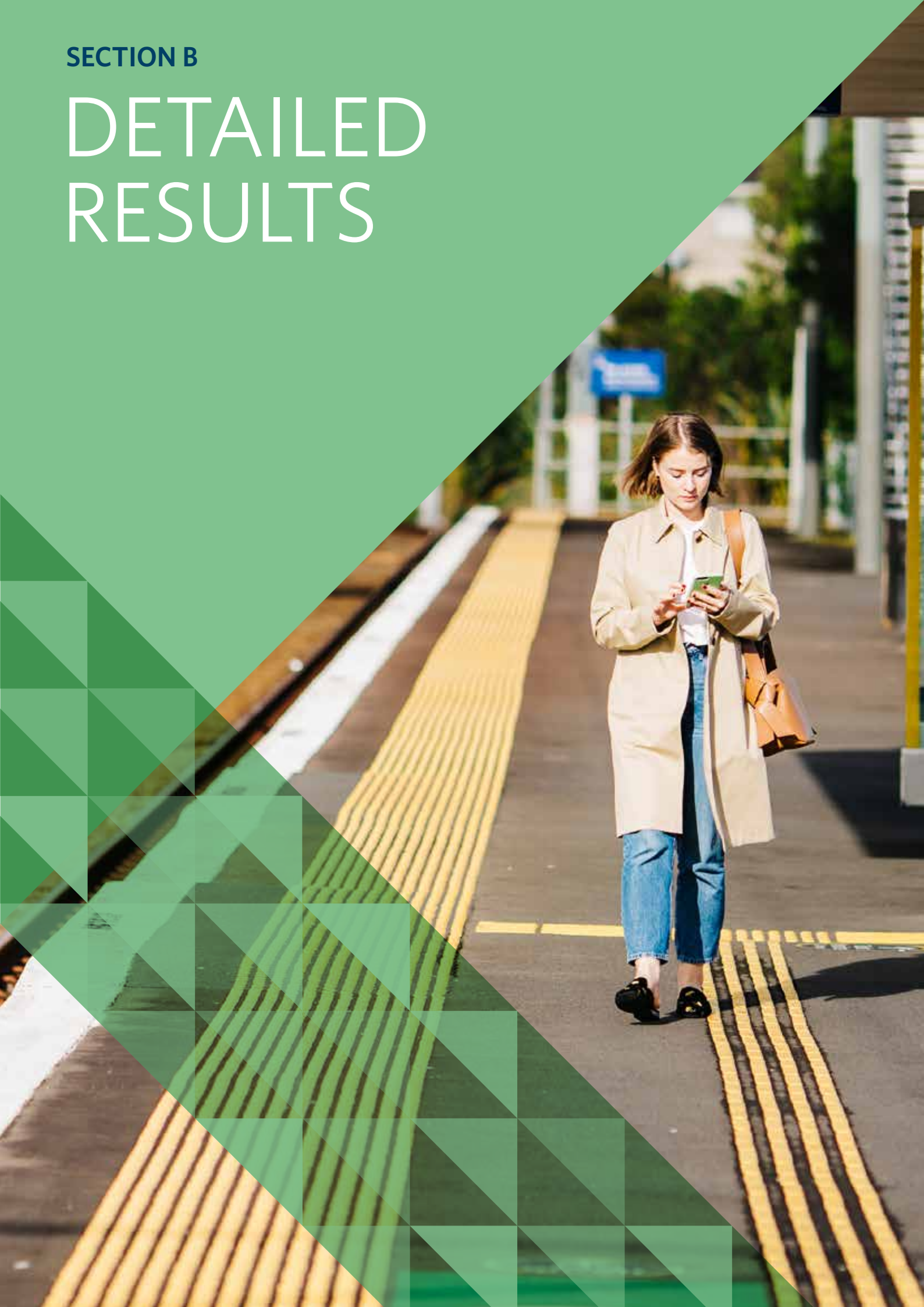


SECTION B

# DETAILED RESULTS



# OUR STRATEGY

Our three, long-term strategic responses – a system response, a people-centric response and a community response – describe the direction we take to deliver value to New Zealand (see figure 1). They're the three big changes we need to make in the longer term to deliver what is expected of us.

Our eight position statements describe what we see as the significant challenges for the sector and the Transport Agency and they guide us to deliver on the Government Policy Statement priorities.

By addressing these challenges, we can make the big changes we're aiming for in our strategic responses and achieve the Government Policy Statement on land transport.

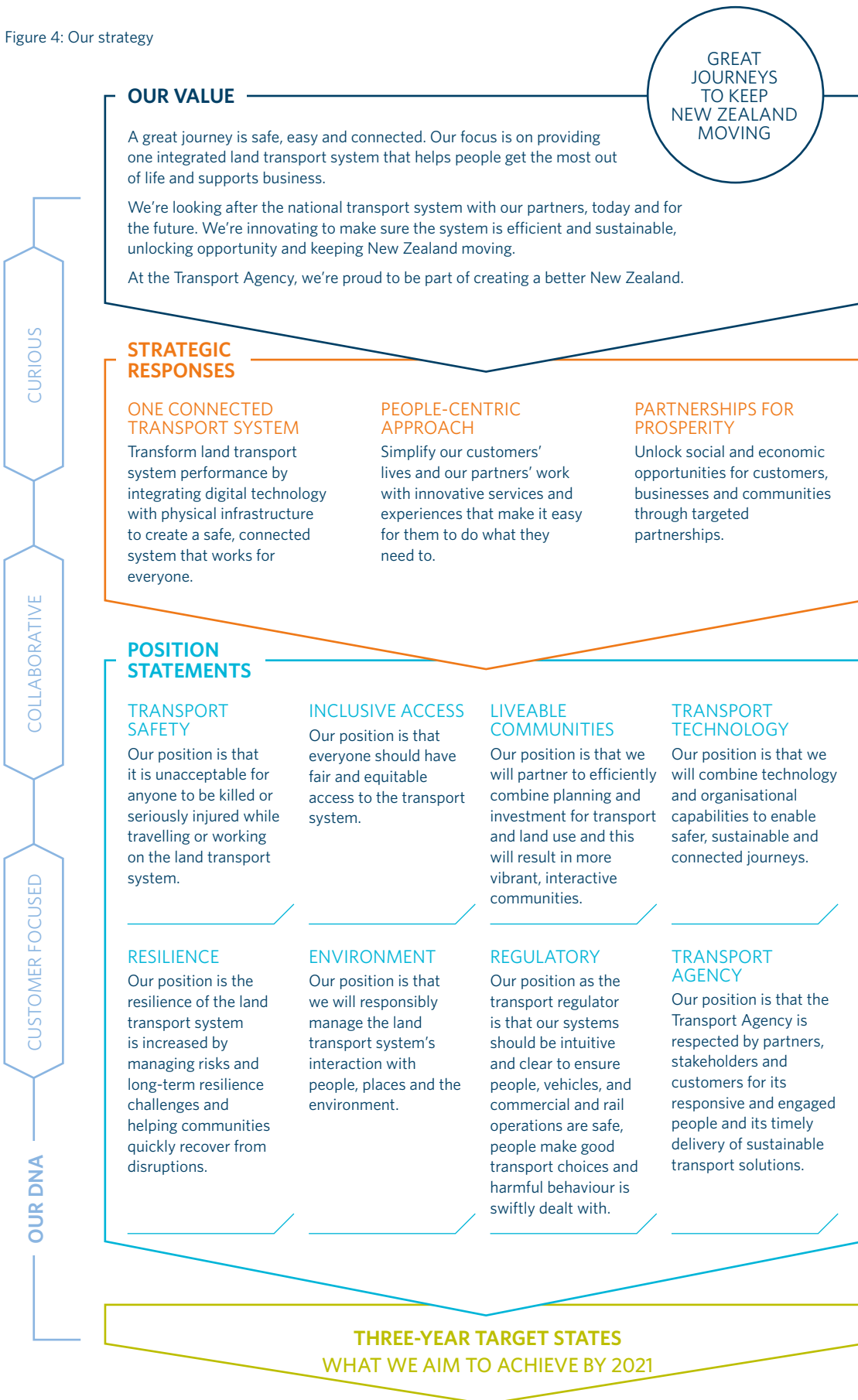
We measure our progress by monitoring:

- performance measures that align with the Transport Outcomes and Government Policy Statement measures, where relevant
- our progress towards target states, which describe the results and changes we want to see by 30 June 2021
- significant activities and performance expectations for our 19 output classes that are set out each year in our statement of performance expectations.<sup>4</sup>

Our strategy is described in our *Amended statement of intent 2018-22*, which we refined to introduce a suite of measures aligned with the Government Policy Statement, consolidated target states and changes made in response to major issues uncovered in our regulatory function. Some of the material in our *Statement of performance expectations 2018/19* was affected by these changes, for instance, it includes some target states that have since been removed or updated.

<sup>4</sup> Our *Amended statement of performance expectations 2018/19* is available from the Transport Agency website: [www.nzta.govt.nz/spe](http://www.nzta.govt.nz/spe)

Figure 4: Our strategy



GREAT JOURNEYS TO KEEP NEW ZEALAND MOVING

**OUR VALUE**

A great journey is safe, easy and connected. Our focus is on providing one integrated land transport system that helps people get the most out of life and supports business.

We're looking after the national transport system with our partners, today and for the future. We're innovating to make sure the system is efficient and sustainable, unlocking opportunity and keeping New Zealand moving.

At the Transport Agency, we're proud to be part of creating a better New Zealand.

**STRATEGIC RESPONSES**

**ONE CONNECTED TRANSPORT SYSTEM**

Transform land transport system performance by integrating digital technology with physical infrastructure to create a safe, connected system that works for everyone.

**PEOPLE-CENTRIC APPROACH**

Simplify our customers' lives and our partners' work with innovative services and experiences that make it easy for them to do what they need to.

**PARTNERSHIPS FOR PROSPERITY**

Unlock social and economic opportunities for customers, businesses and communities through targeted partnerships.

**POSITION STATEMENTS**

**TRANSPORT SAFETY**

Our position is that it is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system.

**INCLUSIVE ACCESS**

Our position is that everyone should have fair and equitable access to the transport system.

**LIVEABLE COMMUNITIES**

Our position is that we will partner to efficiently combine planning and investment for transport and land use and this will result in more vibrant, interactive communities.

**TRANSPORT TECHNOLOGY**

Our position is that we will combine technology and organisational capabilities to enable safer, sustainable and connected journeys.

**RESILIENCE**

Our position is the resilience of the land transport system is increased by managing risks and long-term resilience challenges and helping communities quickly recover from disruptions.

**ENVIRONMENT**

Our position is that we will responsibly manage the land transport system's interaction with people, places and the environment.

**REGULATORY**

Our position as the transport regulator is that our systems should be intuitive and clear to ensure people, vehicles, and commercial and rail operations are safe, people make good transport choices and harmful behaviour is swiftly dealt with.

**TRANSPORT AGENCY**

Our position is that the Transport Agency is respected by partners, stakeholders and customers for its responsive and engaged people and its timely delivery of sustainable transport solutions.

**THREE-YEAR TARGET STATES  
WHAT WE AIM TO ACHIEVE BY 2021**

CURIOUS

COLLABORATIVE

CUSTOMER FOCUSED

OUR DNA

# TRANSPORT SAFETY

## MARUTAU WAKA



### OUR POSITION

Our position is that it is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system.

### TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we have committed to deliver initiatives, with significantly increased investment, co-investment and coordination, targeting speed management, infrastructure improvements and vehicle safety to reduce the number of people killed or seriously injured while travelling.

We also set a rail safety target to see four fewer category A signals passed at danger is when a train passes a perfectly displayed stop signal without authorisation.

### OUR PROGRESS THIS YEAR

For the year to 31 March 2019, 2902 people died or were seriously injured on our roads. While this is fewer than the previous year, it remains 8 percent higher than at the start of the decade when the 10-year road safety strategy, Safer Journeys, began. This year we worked with the Ministry of Transport to develop the new 10-year road safety strategy Road to Zero.<sup>5</sup>

Guided by the Safe System approach to road safety, we:

- began delivering the Safe Networks Programme on high-risk routes and intersections, but progress has been slower than planned
- began implementing the Speed Management Guide on the highest-risk routes and intersections
- developed a communications programme to educate consumers on the benefits of safer vehicles.

We continued to deliver infrastructure projects that improve the safety and resilience of our roads (significant capital projects are detailed in appendix A, page 171) and asset condition measures for state highways and local roads were maintained or improved.

We successfully delivered three of five workstreams to fully establish the rail safety regulator to be a proactive, risk-based regulator.

<sup>5</sup> Ministry of Transport. 2019. *Road to Zero: Consultation on the 2020-2030 road safety strategy*. Wellington: Ministry of Transport. <https://www.transport.govt.nz/assets/Import/Uploads/Our-Work/Documents/e97c3b3d0d/Road-to-Zero-consultation-document-July2019.pdf>

## 2902

deaths and serious injuries on New Zealand roads

## 48%

of state highway activities in the Safe Networks Programme to schedule and cost

## 89%



of our road safety advertising campaigns met or exceed their agreed success criteria

## 69KM (0.6%)

of state highway network modified to align with a safe and appropriate speed



## 64%

of local road activities in the Safe Networks Programme to cost

## 3 OUT OF 4

asset condition measures for the state highway network achieved

## 3 OUT OF 3

asset condition measures for the local road network achieved

## 88%

of state highway improvement activities delivered to agreed standards and timeframes

## PERFORMANCE MEASURES

We monitor progress through measures for our position statement, target states and output classes. We also set out significant activities to achieve every year.

Our transport safety position is delivered through activities and investments in the six output classes:

- state highway improvements
- state highway maintenance
- local road improvements
- local road maintenance
- road safety promotion and demand management
- road policing (see page 223 of the National Land Transport Fund annual report).

Contributions also come from the two output classes:

- regional improvements
- licensing and regulatory compliance.

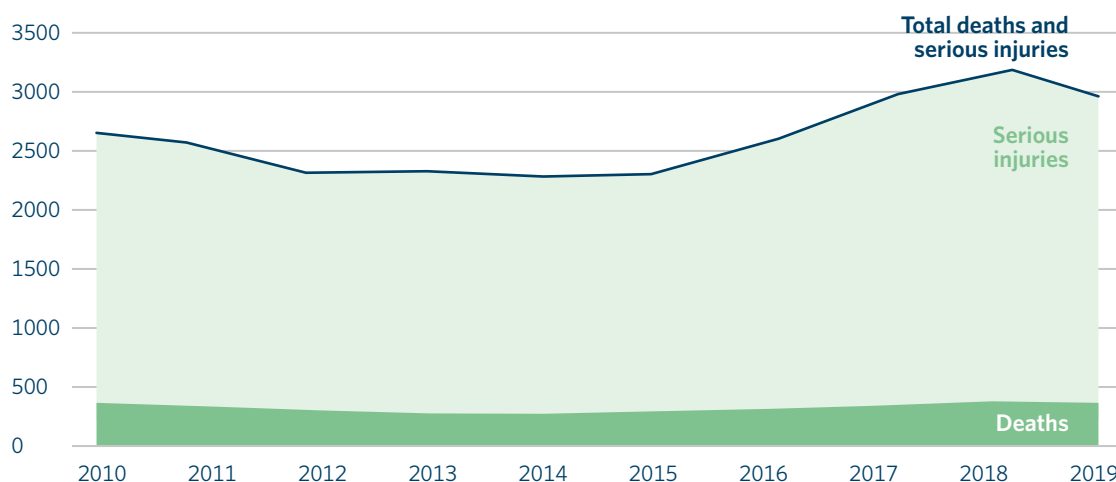
### POSITION STATEMENT

It is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Deaths and serious injuries	Reducing	2902*	Lower than in previous year (3201) but long-term trend is increasing

\* Data to 31 March 2019 from Crash Analysis System database for serious injuries and Ministry of Transport fatalities database.

### Deaths and reported serious injuries 2010–2019 (annualised totals)



While the number of deaths and serious injuries on our roads is lower than last year, it remains 8 percent higher than at the start of the decade when the 10-year road safety strategy, Safer Journeys, began. Serious injury levels from road crashes have been climbing since 2013, as evidenced from police-reported crashes and the numbers of accident compensation claims and hospitalisations. Serious injury levels are also increasing at a faster rate than population growth or the increase in vehicle kilometres travelled.

Our response is a renewed emphasis on the main contributors to the severity of crashes: unsafe speeds, unforgiving road design, unsafe vehicles and driver impairment.

#### TARGET STATE

Deliver initiatives targeting speed management, infrastructure improvements and vehicle safety designed to reduce the number of people killed or seriously injured while travelling on the land transport system through significantly increased investment, co-investment and coordination.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of years 1-3 deliverables in the Safe Networks Programme delivered (including local roads and state highways)	State highways ≥80%	State highways (cost and time) 47.8%	Not achieved
	Local roads ≥80%	Local roads (cost only) 63.7%	Not achieved

The Safe Network Programme is now well established, with the lower target and result not unexpected for the first year of a new programme of work. Out of a total 49 state highway projects that will be delivered, 10 are now complete. For state highways, funding has now been confirmed and the upcoming establishment of an external delivery consortium is expected to resolve delays and speed up future approvals in the programme. Resourcing has now been increased to coordinate the local road programme and to assist in clear allocation of the targeted enhanced funding assistance rate for local councils.

#### TARGET STATE

Four fewer category A signals (rail) passed at danger (cumulative by 30 June 2021)

MEASURE	2018/19 TARGET	BASELINE	RESULT
Number of trains that go through a stop signal when they could have stopped safely (category A signal passed at danger)	Establish baseline from period 1 July 2015 - 30 June 2018	133	Baseline set

Note: a signal passed at danger is when a train passes a perfectly displayed stop signal without authorisation.

As the rail safety regulator, we investigate incidents and take appropriate action (such as enforcing speed reductions) and help to identify safety issues affecting the rail industry.

The number of signals passed at danger is an important measure of the safety of rail systems as it indicates the effectiveness of the systems to prevent unauthorised movement of rail vehicles into occupied sections of track. If not prevented, these situations can lead to collisions between rail vehicles.

We are establishing a baseline from which to track this measure with the aim of seeing a reduction by 2021. Currently, there is no technology solution in use across New Zealand's rail network to assist with reducing signals passed at danger. We need to investigate funding options for future technology solutions.

SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our transport safety position.

TRANSPORT SAFETY SIGNIFICANT ACTIVITIES 2018/19		YEAR-END RESULT
1.1	Begin delivery of a safe network improvement programme on high-risk routes and intersections	 ACHIEVED
1.2	Begin implementation of the Speed Management Guide on the highest-risk routes and intersections	 ACHIEVED
1.3	Develop a communications programme to educate consumers on the benefits of safer vehicles	 ACHIEVED
1.4	Fully establish the rail safety regulator to be a proactive, risk-based regulator	 SUBSTANTIALLY ACHIEVED
<p>Establishing the rail safety regulatory function is a key focus for us. To build our regulatory rail capability and capacity, we implemented five workstreams and successfully delivered three. A draft success measures framework is on hold as the next steps will be informed by the recommendations from the Ministry of Transport's regulatory review. A review of our funding needs for our rail regulatory function is nearing completion. The Ministry of Transport is progressing regulations to recover a portion of this function's cost from the industry. A cost-recovery framework will be in place once the new regulations are enacted.</p>		
1.5	Continue to work with the Ministry of Transport on developing a new road safety strategy for 2019	 ACHIEVED

## OUTPUT CLASS

**STATE HIGHWAY IMPROVEMENTS**

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

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.

REFERENCE MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL	
SHI1	% of activities delivered to agreed standards and timeframes	Not achieved	88%	≥90%	2%	86%
<p>The delivery of activities to agreed standards and timeframes was below target, although an improvement on last year's result. This measure is 50 percent financial performance against budget and 50 percent delivery performance against milestones. The financial underspend was largely caused by overly optimistic forecasting across the state highway improvements programme in the first year of the 2018-21 National Land Transport Programme and a few large projects experienced delays caused by issues such as:</p> <ul style="list-style-type: none"> <li>• delays receiving materials (Mackays to Peka Peka and Christchurch Northern Arterial)</li> <li>• unforeseen ground conditions delaying construction of a retaining wall (Western Ring Route)</li> <li>• consenting delays and property acquisition challenges (Mt Messenger Bypass)</li> <li>• final asphalt surfacing deferred to give chip seal more time to bed down and to ensure conditions are optimal (Waikato Expressway's Rangiriri and Ngaruawahia sections, respectively).</li> </ul>						
SHI2	% of state highway network modified to align with safe and appropriate speed	Baseline set	0.6% (68.5km)	Baseline to be set	-	New measure
<p>We completed a review of speeds across the state highway network and have identified the top 10 percent that will result in the greatest reduction in death and serious injury when modified. A total of 68.5km of the state highway network had speed reductions this year. This includes 25.6km on State Highway 1 north and south of Kaikōura and 9km on State Highway 60 in Richmond. Both lengths of road are part of the top 10 percent of the network identified to have the greatest impact on reducing death and serious injuries when modified.</p>						
SHI3	% of state highways available to high productivity motor vehicles	Achieved	71%	≥62%	9%	62%

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	RESTATED 2017/18 ACTUAL \$M <sup>a</sup>
Income	1,251.9	1,420.9	(169.0)	1,376.1
Expenditure	1,251.9	1,420.9	(169.0)	1,376.1
Net surplus (deficit)	0.0	0.0	0.0	0.0

a 2017/18 actual balances have been restated to remove the public-private partnerships consistent with 2018/19.

Note: expenditure is net of developers' contributions, so reflects increases in the Transport Agency's assets.

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 \$539.6 million (2017/18: \$393.3 million)
- public-private partnerships of \$724.3 million (2017/18: \$433.3 million)
- assets vested to local authorities of \$24.4 million (2017/18: \$0.0)
- other expenses of \$0.1 million (2017/18: \$4.7 million).



State highway improvements expenditure was \$169.0 million (12 percent) below budget, primarily as a result of overly optimistic forecasting for the first year of the 2018–21 National Land Transport Programme. Projects contributing to the underspend include Auckland’s Northern Corridor Improvements (\$56 million), Wellington’s Northern Corridor (\$31 million), Mackays to Peka Peka (\$17 million), Christchurch Northern Arterial (\$16 million) and Peka Peka to Ōtaki (\$14 million). Expenditure is forecast to increase significantly in the remainder of the 2018–21 National Land Transport Programme period as major construction projects continue or are completed.

See page 132 for full details on output class funding and expenditure.

**OUTPUT CLASS**
**STATE HIGHWAY MAINTENANCE**

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

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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
SHM1	% of activities delivered to agreed standards and timeframes	Achieved	94%	≥90%	4%	90%
SHM2	Safe stopping: % of network meeting surface texture standards	Achieved	99%	≥98%	1%	99%
SHM3	Network resilience: % of rutting ≥20mm over state highway network	Achieved	1%	≤3% <sup>a</sup>	2%	1%
SHM4	Safe stopping: % of network above skid threshold	Not achieved	97%	≥98%	1%	95%
	While our target was not achieved, the proportion of the road network above the skid threshold improved on last year following increased funding to treat network deficiencies. Additional funding is available for the remaining two years of the 2018–21 National Land Transport Programme to continue working towards this target.					
SHM5	Smooth ride: % of travel on network classed as smooth	Achieved	99%	≥97%	2%	99%
SHM6	Availability of state highway network: % of unplanned road closures resolved within standard timeframes	Achieved	85%	≥75% <sup>b</sup>	10%	82%
SHM7	State highway maintenance cost per lane kilometre delivered	Achieved	\$22,997	\$21,500–\$24,000	0	\$24,705
SHM8	Reinstatement of the South Island Transport Corridors: % of activities delivered to agreed standards and timeframes <sup>c</sup>	Not achieved	81%	≥90%	9%	New measure
	The target was not achieved due to reprioritisation of activities towards recovery and restoration work. Restoration activities are now ahead of programme with project recovery construction substantially completed. The reprogramming of work led to significant delays in the improvements and resilience programme. Due to extensive value engineering work, there was no cost increase even with the delays, and savings in the initial target outturn cost were realised.					

a This was published incorrectly as 3% in our Amended statement of performance expectations 2018/19.

b The target was reduced for 2018/19 to take account of extreme weather events, which impact performance against this measure. The target has been revised back to ≥84% for 2019/20 to reflect a more consistent baseline of historic performance.

c The methodology for this measure changed since it was initially scoped. Information to assess overall physical performance was unavailable due to the large number of projects being delivered across different phases and complex arrangements. The projects are delivered under multiple agreements between different delivery agents of the North Canterbury Transport Infrastructure Recovery Alliance, with some jointly funded and jointly owned. Expenditure was used as a proxy for standards and timeframes.

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	830.1	903.9	(73.8)	1,168.5
Expenditure	830.1	903.9	(73.8)	1,168.5
Net surplus (deficit)	0.0	0.0	0.0	0.0

State highway maintenance expenditure was \$73.8 million (8 percent) below budget, mainly due to a \$124 million underspend on the reconstruction of State Highway 1 after the Kaikōura earthquake.

State highway network base programme expenditure was \$13 million above budget. The main contributors to the over-expenditure were traffic growth claims.

Other emergency works also had a significant impact on expenditure and were \$24 million above budget. The main drivers of this overspend were severe weather events, including a West Coast rain event resulting in the loss of Waiho Bridge, river erosion on State Highway 6 in Haast and a detour route following the closure of Manawatū Gorge.

See page 133 for full details on output class funding and expenditure.

**OUTPUT CLASS**

**LOCAL ROAD IMPROVEMENTS**

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

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

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
LRI1	% of approved organisations signed up to the 50MAX network	Achieved	95%	≥95%	0	95%
LRI2	% of local road network modified to align with safe and appropriate speed	-	Not available	Set baseline	-	New measure

We cannot report on this measure because sufficiently robust data is not available. In future, data will be sourced from the National Speed Limit Register, which is being developed and will be available for local road reporting after December 2020.

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	239.6	216.1	23.5	246.2
Expenditure	239.6	216.1	23.5	246.2
Net surplus (deficit)	0.0	0.0	0.0	0.0

Local road improvements expenditure was \$23.5 million (11 percent) above budget. The increase is largely due to the inclusion of infrastructure projects for the Provincial Growth Fund of \$10.9 million, which were budgeted in regional improvements.

Major expenditure in local road improvements included \$90 million in low-cost, low-risk programmes, \$38.5 million LED street lighting upgrades and Quay Street (Auckland) seawall of \$15.9 million.

See page 136 for full details on output class funding and expenditure.

## OUTPUT CLASS

**LOCAL ROAD MAINTENANCE**

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

In conjunction with approved organisations, we invest in local road maintenance and operations, including the maintenance of pavements, structures and drains, and traffic services. 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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
LRM1	Pavement integrity index of the sealed network <sup>a</sup>	Achieved	94	94 <sup>b</sup>	0	94
LRM2	Surface condition index of the sealed network <sup>c</sup>	Achieved	98	98 <sup>b</sup>	0	98
LRM3	Smooth ride: % of travel on smooth roads	Achieved	87%	≥86%	1%	87%
LRM4	Local road maintenance cost per local road lane kilometres delivered	Not achieved	\$3,455	≤\$3,000	\$455	\$3,095

This measure is calculated by dividing the amount spent on the maintenance and renewal of local roads by the total number of lane kilometres in the network. Cost per local road lane kilometre was above target this year because more sealed pavement maintenance and routine drainage maintenance work were delivered than budgeted for. Network asset management activities were also higher than expected. Not all these activities contribute to an increase in lane kilometres.

a This was published incorrectly in our *Amended statement of performance expectations 2018/19* as '% of the sealed local road network that meets pavement integrity targets' and has been corrected to reflect what is being measured. This is consistent with previous methodology and results.

b This was published incorrectly in our *Amended statement of performance expectations 2018/19* as a percentage.

c This was published incorrectly in our *Amended statement of performance expectations 2018/19* as '% of the sealed local road network that meets surface condition targets' and has been corrected to reflect what is being measured. This is consistent with previous methodology and results.

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	653.4	668.0	(14.6)	594.7
Expenditure	653.4	668.0	(14.6)	594.7
Net surplus (deficit)	0.0	0.0	0.0	0.0

Local road maintenance expenditure was \$14.6 million (2 percent) below budget due to lower than forecast emergency works claims. Funding approvals for emergency works are well above budget but several claims are yet to be finalised. The delivery of the base programme is close to budget.

See page 136 for full details on output class funding and expenditure.

OUTPUT CLASS

### ROAD SAFETY PROMOTION AND DEMAND MANAGEMENT

*Delivered by the Transport Agency and local authorities and funding assistance from the National Land Transport Fund*

Through road safety promotion and demand management, we manage and invest in activities that support behavioural changes to increase road safety and promote mode shift and use of travel planning to optimise the transport system. These activities include advertising, education and information targeted at road users. This output class includes work and school travel management plans, cycle safety training, ride sharing, promotion of public transport and active modes, and the provision of alcohol interlocks.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
RSP1	% of activities delivered to agreed standards and timeframes	Not achieved	76.5%	100%	23.5%	100%
<p>We did not meet our target because of delays completing two of the three programmes planned for the third quarter (both were completed in quarter four) and two programmes planned for the fourth quarter. We did not complete the evaluation report of the Young Driver programme (delivered in July 2019) and the education component of the Safe Networks Programme, which was delayed to align with the speed management component of the programme.</p>						
RSP2	% of road safety advertising campaigns that meet or exceed their agreed success criteria	Achieved	89%	≥80%	9%	87%

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	49.1	55.3	(6.2)	39.3
Expenditure	45.9	52.9	(7.0)	37.4
Net surplus (deficit)	3.2	2.4	0.8	1.9

Road safety promotion expenditure was \$7.0 million (13 percent) below budget. The most significant variance was due to an underspend on the alcohol interlock programme (a new initiative of the Safer Journeys road safety strategy to reduce the impact of drink driving on our roads) of \$3.6 million.

See page 138 for full details on output class funding and expenditure.

OUTPUT CLASS

### ROAD POLICING

The road policing output class is reported in the annual report for the National Land Transport Fund, page 221.

# INCLUSIVE ACCESS

## HAERE TAHI



### OUR POSITION

Our position is that everyone should have fair and equitable access to the transport system.

### TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we aim to achieve:

- increased mode share of public transport and active modes in high-growth urban areas
- improved access to priority routes for freight and tourism, particularly at peak times.

### OUR PROGRESS THIS YEAR

For the first time, we are reporting on access to destinations such as jobs, schools, health care and essential shopping by different modes of transport (see pages 42-44). Driving is the main way people connect to important social and economic opportunities. Fewer people have easy access to key destinations using public transport, walking or cycling.

A baseline established this year shows only 19 percent of urban journeys are made by public transport, walking or cycling. However, the use of urban public transport services grew by 6 percent.

Through a mode shift strategy, we identified and prioritised what we can do to increase the attractiveness of public transport and walking, cycling and other active modes. We also delivered a travel demand management programme that aims to enable better travel choices.

To support access and economic development in the regions, we improved 152 lane kms of regional state highways and made an additional 1,004km of state highway available to high productivity motor vehicles on key regional routes.

**19%**   
of trips in high-growth urban areas on public transport, walking and cycling

**29%**  
of people in Auckland, Wellington and Christchurch have access to frequent public transport services

**151.7 LANE KMS**

of regional state highways improved (13 projects)

**15.7 MILLION TRIPS**

funded through the SuperGold cardholders' scheme (up nearly 12%)

**8225KM**

of state highway available to high productivity motor vehicles on key regional routes

**168 MILLION PASSENGERS**

used urban public transport services (6% growth)



We delivered our commitments as a partner in the Provincial Growth Fund programme to lift regional productivity. This included:

- working with the Provincial Development Unit to identify investment opportunities and advise on Provincial Growth Fund applications
- managing Provincial Growth Fund funding for roading projects through Vote Transport and the Transport Investment Online system
- developing a significant pipeline of activities to create safer, more resilient transport connections in Tairāwhiti/Gisborne

Baselines for measures of improved access to priority routes for freight and tourism will be established next year.

Access to the transport system and economic development in regions supports the work we do to make our communities more liveable and connected (as described under our liveable communities position).

### PERFORMANCE MEASURES

We monitor progress through measures for our position statement, target states and output classes. We also set out significant activities to achieve every year.

Our inclusive access position is delivered through activities and investments in the four output classes:

- regional improvements
- public transport
- administration of the SuperGold cardholders’ scheme
- enhanced public transport concessions for SuperGold cardholders

Contributions also come from the output class walking and cycling.

#### POSITION STATEMENT

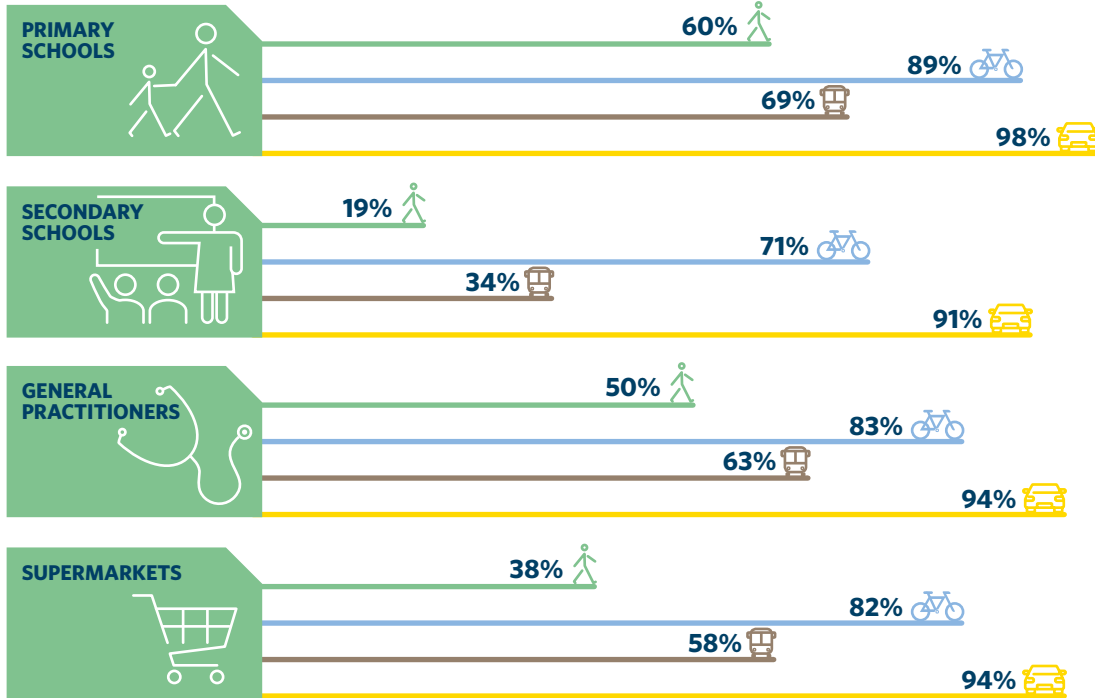
Everyone should have fair and equitable access to the transport system.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Access to social and economic opportunities by mode	Set baseline	See figures on page 42	Baseline set (future reporting to be confirmed)

## ACCESS TO SOCIAL AND ECONOMIC OPPORTUNITIES

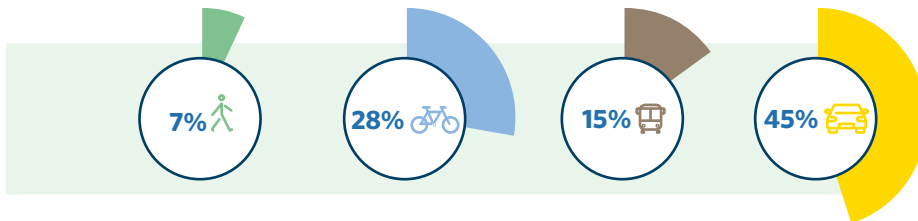
### Proportion of population within 15 minutes of destination by mode

This measure shows the proportion of New Zealanders that can reach important destinations in a reasonable time.



### Proportion of jobs within 45 minutes by mode

This measure shows the proportion of jobs across New Zealand that can be reached in a reasonable time.



Through these measures we will develop a deeper understanding of whether New Zealanders can access the destinations that matter the most to them - jobs, schools, health care and essential shopping.

Measuring access to a key destination, rather than efficiency of transport (such as travel times on key corridors) is relatively new to the New Zealand transport sector and is foundational for considering how to improve accessibility, in particular through better integration of urban development and transport.

Connectivity to important social and economic opportunities in New Zealand is highest for driving (more than 9 in 10 people live within a 15-minute drive of a general practitioner). In comparison, fewer people have easy access to important destinations using public transport or walking and cycling (around 6 in 10 people live within a 15-minute public transport journey to a general practitioner). Figure 5 (page 43), for example, shows the proportion of jobs within 45 minutes by public transport in different areas of the Auckland region.

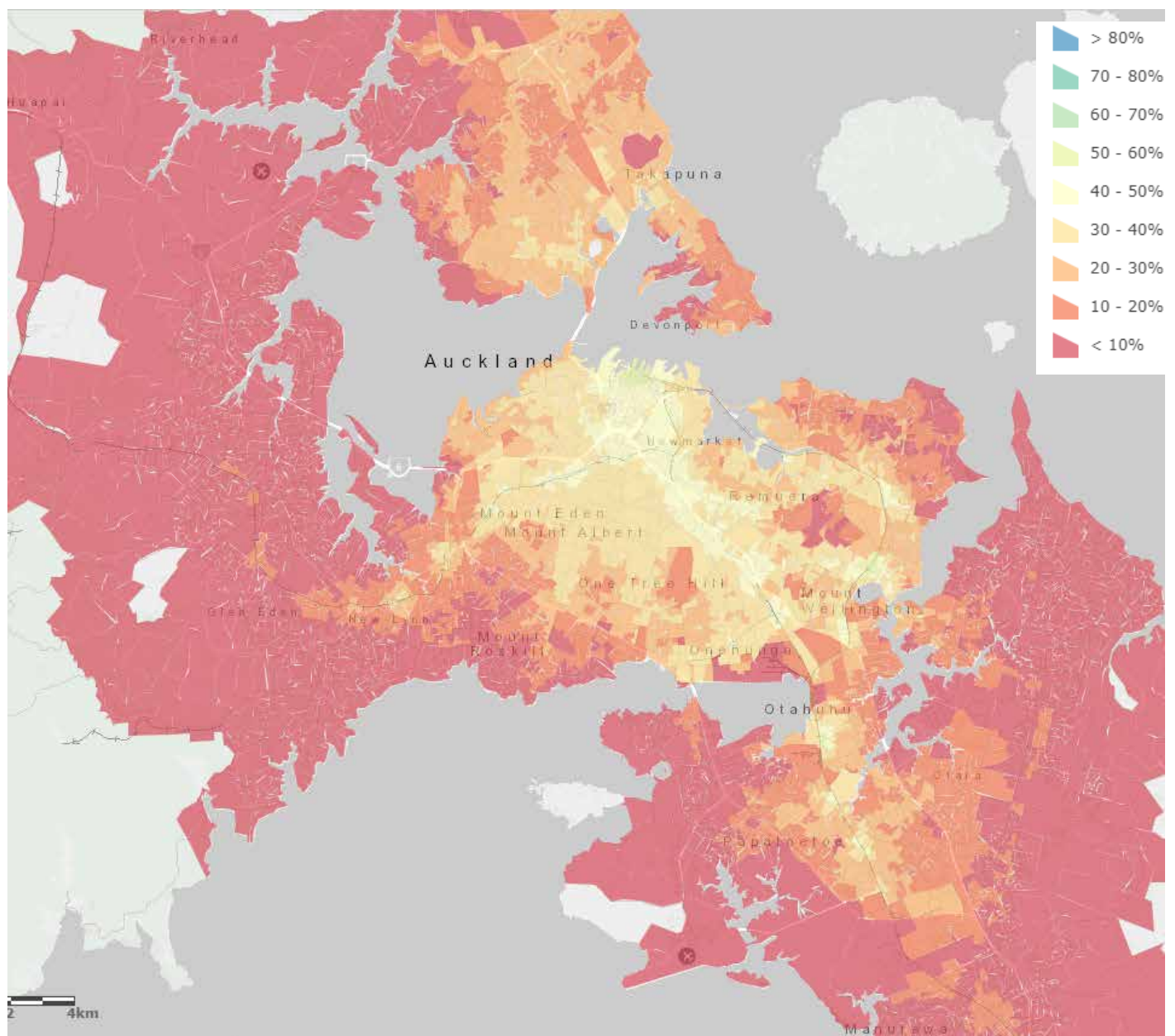
Future targets for this measure will be set once measures are confirmed for the Government Policy Statement on land transport.



Figure 5 shows that for large areas of Auckland only a small proportion of the region’s jobs can be reached within a 45 minute (door-to-door) public transport commute in the morning - this is particularly the case for neighbourhoods in West and South Auckland that are located away from southern train line.

Data is likely to change when public transport improvements are completed or if the number of jobs located near public transport infrastructure grows.

Figure 5 - Jobs within 45 minutes on public transport divided by total regional jobs



## TARGET STATE

Increased mode share of public transport and active modes in high-growth urban areas.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of total trips on public transport and active modes in high-growth urban areas	Set baseline	19%	Baseline set

## TARGET STATE

Improved access to priority routes for freight and tourism, particularly at peak times.

MEASURE	2018/19 TARGET	BASELINE	RESULT
Number of hours that priority routes for freight and tourism are unavailable	Baseline to be set in 2019/20, then decreasing		
Predictability of travel times on priority routes for freight and tourism	Baseline to be set in 2019/20, then increasing		

## SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our inclusive access position.

INCLUSIVE ACCESS SIGNIFICANT ACTIVITIES 2018/19	YEAR-END RESULT
2.1 Build understanding and shared investment approaches with central and local government about the needs of the transport disadvantaged, and which interventions work best for which groups	ACHIEVED
2.2 Develop initiatives to encourage many more people onto public transport and active modes, including a: <ul style="list-style-type: none"> <li>mode shift strategy to identify and prioritise what we can do to increase the attractiveness of public transport, walking, cycling and other active modes</li> <li>demand management programme that aims to enable better travel choices</li> </ul>	ACHIEVED
2.3 Develop a shared understanding in regional New Zealand of the most important transport accessibility needs for freight and tourism and begin to take action	ACHIEVED
2.4 Support local government to develop planning approaches and approvals that support multimodal transport choices	ACHIEVED
2.5 Deliver our commitments as a key partner in the Provincial Growth Fund programme to lift regional productivity, including: <ul style="list-style-type: none"> <li>working with the Provincial Development Unit to identify investment opportunities, provide advice on applications and release funding for land transport projects</li> <li>delivering the Waipapa intersection (Northland)</li> <li>developing seven business cases as part of the next phase in the Twin Coast Discovery Route programme (Northland)</li> <li>developing a single stage business case to identify potential improvements for State Highway 43, the Forgotten World Highway (Taranaki)</li> <li>delivering a significant pipeline of work in Tairāwhiti/Gisborne made up of physical works, emergency works and business cases</li> </ul>	ACHIEVED
2.6 Implement the National Priority Programme for regional development	ACHIEVED

## OUTPUT CLASS

**REGIONAL IMPROVEMENTS***Delivered by the Transport Agency and funded from the National Land Transport Fund*

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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
RI1	Lane kilometres of improved regional roading	Achieved	151.7 lane km	Increasing	-	9.4km
RI2	Kilometres available to high productivity motor vehicles on key regional routes	Achieved	8,225km	Increasing	-	7,221km
RI3	% of activities delivered to agreed standards and timeframes	Achieved	98%	90%	8%	87%

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	139.3	152.3	(13.0)	140.1
Expenditure	139.3	152.3	(13.0)	140.1
Net surplus (deficit)	0.0	0.0	0.0	0.0

Regional improvements expenditure was \$13.0 million (9 percent) below budget mainly due to \$40 million being budgeted for the Provincial Growth Fund in regional improvements but actual spend being recorded in other output classes. Provincial Growth Fund spend for regional improvements is less than \$1 million with the resulting underspend partially offset by Provincial Growth Fund spend totalling \$16 million in investment management and local road improvements output classes.

Other regional improvements initiatives under the 2018-21 National Land Transport Programme were above budget by \$26 million due to projects progressed ahead of plan. The forecast is expected to be close to budget over the 2018-21 National Land Transport Programme.

See page 137 for full details on output class funding and expenditure.

## OUTPUT CLASS

**PUBLIC TRANSPORT**

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

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 environment and contributes to reducing the number of 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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL	
PT1	Number of passengers using urban public transport services (bus, train and ferry)	Achieved	168 million	≥164 million	4 million	158 million	
PT2	% of people with access to frequent public transport services in Auckland, Wellington and Christchurch	Achieved	29%	Increasing	2%	27% <sup>a</sup>	
PT3	Cost per passenger kilometre by bus, train and ferry	Bus	Not achieved	\$0.20/km	≤\$0.19/km	\$0.01/km	\$0.19/km
		Train	Achieved	\$0.16/km	≤\$0.16/km	0	\$0.16/km
		Ferry	Not achieved	\$0.08/km	≤\$0.06/km	\$0.02/km	\$0.06/km

The increase in service cost of carrying passengers by bus was due to the 8 percent increase in service levels in Auckland, Waikato, Bay of Plenty and Otago. Ferry costs increased due to investment in greater capacity vessels and additional ferry services in Auckland. Cost indexation and inflation (about 4.5 percent for bus and ferry) also affected service costs. These costs across the three modes reflect spend against the National Land Transport Fund only. They exclude any local share, fare revenue, SuperGold cardholder payments and third-party revenue. If these exclusions are considered, total service cost per passenger kilometre is \$0.65/km for bus, \$0.49/km for train and \$0.60/km for ferry.

<sup>a</sup> The 2017/18 actual figure, used as this measure's baseline, was recalculated from 30 percent to 27 percent due to an error by the external data supplier.

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	511.3	549.0	(37.7)	382.6
Expenditure	511.3	549.0	(37.7)	382.6
Net surplus (deficit)	0.0	0.0	0.0	0.0

Public transport expenditure was \$37.7 million (7 percent) below budget primarily as a result of delays in delivery across various projects, the largest of which is technology-based solutions related to public transport across several regions (\$8.6 million underspend).

See page 135 for full details on output class funding and expenditure.

OUTPUT  
CLASSES**ADMINISTRATION OF THE SUPERGOLD CARDHOLDERS' SCHEME  
AND ENHANCED PUBLIC TRANSPORT CONCESSIONS  
FOR SUPERGOLD CARDHOLDERS***Administered by the Transport Agency, delivered local authorities and funded by the Crown*

Together with local and regional councils, including Auckland Transport, we administer the SuperGold cardholders' concessionary fares 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' 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 the roads.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
SG1	% of 'on time' payment of Crown SuperGold allocation to approved organisations	Not achieved	64%	100%	36%	New measure
<p>In 2018/19, the Transport Agency introduced a streamlined SuperGold card funding process as part of regions' public transport programmes. Under the new process, payments are planned to be made to approved organisations in the first quarter of the year, based on submitted claims supported by demand forecasts. All approved organisations were paid once claims were submitted. Five out of 14 claims were paid after the end of the first quarter due to late submissions.</p>						
SG2	Patronage (number of boardings using SuperGold concessions)	Achieved	15.7 million	14.0 million	1.7 million	New measure
See appendix B, page 175, for technical details.						
			2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
	Income		29.4	29.4	0.0	28.3
	Expenditure		29.4	29.4	0.0	28.3
	Net surplus (deficit)		0.0	0.0	0.0	0.0

Expenditure for administration of the SuperGold cardholders' scheme and enhanced public transport concessions for SuperGold cardholders was on budget and \$1.1 million (3.9 percent) higher than last year.

See page 135 for full details on output class funding and expenditure.

# LIVEABLE COMMUNITIES

## KĀINGA ORA



### OUR POSITION

Our position is that we will partner to efficiently combine planning and investment for transport and land use and this will result in more vibrant, interactive communities.

### TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we have committed to increasing space in our cities dedicated to people.<sup>6</sup>

### OUR PROGRESS THIS YEAR

A baseline for the proportion of space in cities dedicated to motorised vehicles will be established in 2020/21 and we will aim to reduce this figure. This year, we completed work to further integrate 'placemaking' in transport solutions, which is done by developing places and spaces alongside transport facilities.

In Auckland, we are investing in construction of infrastructure to deliver the Auckland Transport Alignment Project and in developing business cases for further investment. While we are committed to ensuring the project is a success, pressure on the National Land Transport Fund means some activities are having to be reprioritised.

Mode share statistics show most trips are undertaken by car or van, with pedestrian trips being the next most common. Over time, we expect to see a larger proportion of trips by public transport and active modes such as walking and cycling as our activities and plans, such as mode shift and travel demand management, embed.

A total of 104.8 network kilometres of walking and cycling facilities were delivered by the Transport Agency and its co-investment partners and cycling trips increased to 6238, up from 5605 last year. Wellington recorded a 4 percent increase (to 2360 trips), Christchurch a 34 percent increase (to 1869 trips) and Auckland a 3 percent increase (to 2009 trips).

<sup>6</sup> Target states for liveable communities were updated after we published our Amended statement of performance expectations 2018/19.



# 6238

cycling trips observed in Wellington, Auckland and Christchurch central business districts

# 104.8 NETWORK KMS

of walking and cycling facilities delivered

# 80%

of transitional rail projects approved for implementation

Transitional rail and rapid transit investment began this year. These activities offer people more ways to travel, ease congestion and support better access to housing, education and employment. Four of five business cases for transitional rail were approved for implementation, and rapid transit activity focused on developing the business case for light rail in Auckland.

Our communities are more liveable and have more access to the land transport system through the work we do to combine land use with efficient planning and investment for the land transport system (as described under our inclusive access position, page 40).

**PERFORMANCE MEASURES**

We monitor progress through measures for our position statement, target states and output classes. We also set out significant activities to achieve every year.

Our liveable communities position is delivered through activities and investments in the three output classes:

- walking and cycling
- rapid transit
- transitional rail.

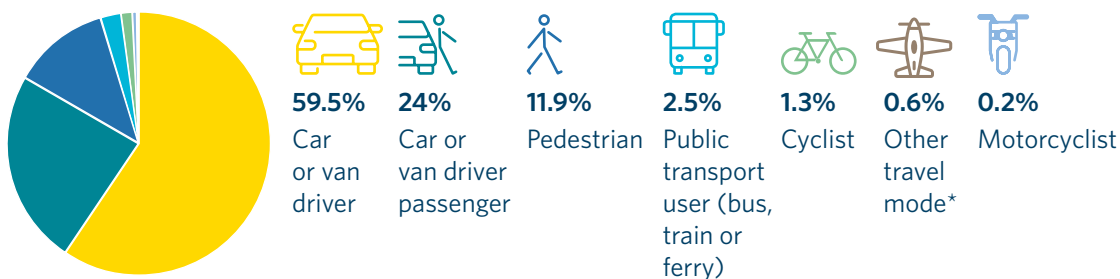
Contributions also come from the output class public transport.

**POSITION STATEMENT**

We will partner to efficiently combine planning and investment for transport and land use and this will result in more vibrant, interactive communities.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Mode share (proportion of trips by mode)	Target to be confirmed once Ministry of Transport finalises Government Policy Statement measures	See figure below	Baseline set

**Mode share (proportion of trips by mode)**



\* 'Other travel mode' includes aircraft, boats (excluding ferries), mobility scooters and other modes such as horses. Skateboardings and being in a pushchair are included with pedestrians.

The mode share results from the Household Travel Survey provide a valuable view on people's transport choices. Most trips are undertaken by car or van, with pedestrian trips being the next most common. Over time, we expect to see a larger proportion of trips by public transport and active modes such as walking and cycling as our activities and plans, such as mode shift and travel demand management, embed.

## TARGET STATE

Increased space in our cities dedicated to people.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of space in cities dedicated to motorised vehicles	Baseline to be set in 2020/21, then reducing		

## SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our liveable communities position.

LIVEABLE COMMUNITIES SIGNIFICANT ACTIVITIES 2018/19	YEAR-END RESULT
3.1 Further integrate 'placemaking' in solutions by developing places and spaces alongside transport facilities and integrating active modes and use of technology	 ACHIEVED
3.2 Identify transport gaps for targeted regions to ensure access to essential services for all New Zealanders	 ACHIEVED
3.3 Partner with Auckland Transport Alignment Project (ATAP) agencies to implement the indicative package (including light rail) and progress ATAP recommendations	 SUBSTANTIALLY ACHIEVED

ATAP investment is being made in construction and in the business case process. Major projects (those with more than \$250 million investment) are under construction, and projects funded through the Auckland Regional Fuel Tax are also progressing. However, timing and approval issues for some programmes require active management. These issues include current funding pressures on the National Land Transport Fund.

We are reprioritising activities across all classes in the National Land Transport Programme. This will affect the funding availability for some ATAP projects over the next three years, which is not straightforward to resolve. We remain committed to working with ATAP partner agencies to deliver projects that sit within the ATAP package and ensure the programme is a success and remains aligned with the Auckland Regional Land Transport Plan and the Auckland Plan.



**OUTPUT CLASS**

**WALKING AND CYCLING**

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

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 impact of transport on the environment. It also supports better health by enabling more people to walk and cycle.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
WC1	Network kilometres of walking and cycling facilities delivered	Achieved	104.8km (including 47.3km UCP projects)	Increasing	-	79.3km (including 61.8km UCP projects)
WC2	Cycling count in Auckland, Wellington and Christchurch	Achieved	6,238	Increasing	-	5,605

Note: UCP = Urban Cycleways Programme.  
See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	70.3	104.4	(34.1)	87.7
Expenditure	70.3	104.4	(34.1)	88.6
Net surplus (deficit)	0.0	0.0	0.0	(0.9)

Walking and cycling expenditure was \$34.1 million (33 percent) below budget due to delays in the National Land Transport Fund expenditure component of projects in the Urban Cycleways Programme, primarily in Auckland (\$6.8 million) and underspends on several large projects due to delayed start up such as State Highway 88 Dunedin to Port Chalmers Safety Improvements (\$11.3 million) and State Highway 2 Baypark to Bayfair Link Upgrade (\$5.1 million).

See page 134 for full details on output class funding and expenditure.

## OUTPUT CLASS

**RAPID TRANSIT**

*This is a new output class invested and delivered by the Transport Agency and funded from the National Land transport Fund*

We work in partnership with other agencies to deliver rapid transit improvements. This includes establishing arrangements to plan, fund, design, supervise, construct and maintain rapid transit networks and projects, including light rail.

Investment in rapid transit provides customers with more ways to travel, eases congestion and supports better access to housing, education and employment in major metropolitan areas. Like other forms of public transport, rapid transit also reduces the impact of transport on the environment and contributes to reducing the number deaths and serious injuries from road crashes.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
RPT1	% of activities delivered to investment requirements	-	Not available	≥90%	-	New measure
No activities reported against this measure have begun.						

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	9.9	130.4	(120.5)	0.0
Expenditure	9.9	130.4	(120.5)	0.0
Net surplus (deficit)	0.0	0.0	0.0	0.0

Rapid transit expenditure was \$120.5 million (92 percent) below budget. Budgeted spend was based on anticipated progress on the original plan for the City Centre to Mangere light rail project. Progress and expenditure has been impacted by the evaluation process underway to assess alternate project approaches by the Transport Agency and NZ Infra. As a result, rapid transit activity will not meet budget over the remainder of the 2018-21 National Land Transport Programme and the balance of unused funding has been reallocated to other output classes.

See page 140 for full details on output class funding and expenditure.

OUTPUT CLASSES

**TRANSITIONAL RAIL**

*This is a new output class invested in by the Transport Agency, delivered through Local authorities with funding assistance from the National Land Transport Fund*

We invest in improving urban rail services and interregional rail services that assist passengers to access major employment and housing areas.

Investment in passenger rail provides customers with more ways to travel, eases congestion and supports better access to housing, education and employment. Like other forms of public transport, rail reduces the impact of transport on the environment and contributes to reducing the number deaths and serious injuries from road crashes.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
TR1	% of projects approved for implementation	Baseline set	80%	Increasing	-	New measure
	Four of five business cases received this year were approved for implementation. The Papakura to Pukekohe Rail Corridor Improvements business case has not been approved because pre-implementation work is yet to be completed. Therefore, the business case has gaps. We have provided feedback to Auckland Transport, which is aiming to submit a revised business case for consideration by the Transport Agency Board at the board's December 2019 meeting.					
TR2	% of activities delivered to investment requirements	Baseline set	100%	Set baseline	-	New measure

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	19.2	35.4	(16.2)	0.0
Expenditure	19.2	35.4	(16.2)	0.0
Net surplus (deficit)	0.0	0.0	0.0	0.0

Transitional rail actual expenditure was \$16.2 million (46 percent) below budget. This was due to some projects not progressing as quickly as expected, primarily in Auckland (\$12 million underspend). There was also an underspend on approved projects of \$4.3 million, primarily in Wellington, which is now planned for 2019/20.

See page 140 for full details on output class funding and expenditure.

# TRANSPORT TECHNOLOGY HANGARAU WAKA



## OUR POSITION

Our position is that we will combine technology and organisational capabilities to enable safer, sustainable and connected journeys.<sup>7</sup>

## TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we committed to deliver:

- increased and easy access to information on journey options for our customers
- a single integrated investment plan for transport technology investment that is regularly updated to reflect the changing environment
- technology platforms to reduce technology risk and provide the foundations for adaptable technology capability across the Transport Agency.<sup>8</sup>

## OUR PROGRESS THIS YEAR

Surveys undertaken this year set baselines for how easily our customers can access travel information. Customers rated the ease of access to information relatively highly and their preferred source of information is Google Maps.<sup>9</sup>

While a single integrated plan for the investment and use of technology across the Transport Agency was developed, it was found not to address key issues. Consequently, a revised plan for the work required over the next 12-24 months is being developed. This plan will also include the work required to mitigate our critical technology risks.

All three activities we planned to deliver under transport technology were delayed by issues uncovered in how our Connected Journeys Solutions group was operating. The activities were paused and re-assessed against our strategic priorities while the group was reviewed.

<sup>7</sup> This position was updated after we published our *Amended statement of performance expectations 2018/19*.

<sup>8</sup> These target states were updated after we published our *Amended statement of performance expectations 2018/19*.

<sup>9</sup> The Transport Agency's travel information feeds into Google Maps.

# 73%

of customers report increased ease of access to transport data and journey choices

# CRITICAL RISK

rating for our technology systems

# 66%



of surveyed respondents report they can get the journey information they want through their preferred channel

## PERFORMANCE MEASURES

We monitor progress through measures for our position statement and target states. We also set out significant activities to achieve every year.

### POSITION STATEMENT

We will use transport technology and data to transition to safer, sustainable and connected journeys for customers.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Customers reporting increased ease of access to transport data and journey choices	Set baseline	73%	Baseline set

Customers rated the ease of access to information relatively highly but considered this less important to them than other priorities such as safety, cost, time taken and the behaviour of others.

### TARGET STATE

Increased easy customer access to information on journey options.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of surveyed respondents that report they can get the journey information they want through their preferred channel	Set baseline	66%	Baseline set

The preferred channel for information is Google: 80 percent of those who use travel advice and information obtain it from Google Maps. Use of other sources of journey information (whether in digital or non-digital channels), including those we offer, is substantially less common.

### TARGET STATE

Technology platforms and organisational capabilities are being delivered that reduce existing technology risk and provide the foundations for adaptable future technology capability across the agency for the future.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Technology risk rating	Set baseline	Critical	Baseline set

A critical risk rating means that it is possible the Transport Agency's technology systems may stop performing, in part or whole, and may not be recoverable for extended periods (weeks or months), with extreme consequences.

A plan is being developed for the work required over the next 12-24 months to mitigate technology risk. In parallel, work has started to identify the organisational capabilities the Transport Agency needs if it is to deliver its performance expectations, underpinned by enabling technology. This work programme is not expected to enable delivery of new solutions in time to mitigate the risk, so current solutions need to be upgraded and maintained until new solutions can be brought online.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Technology asset performance measures	Set baseline	Not achieved	Baseline set

We developed new technology asset performance measures to measure availability, utilisation, condition and functionality of our cloud-based and on-premises<sup>10</sup> technology systems (see page 167-169 for more information). We achieved all availability measures for our cloud-based services. Of the three condition measures for on-premises services, we were unable to report on two and did not achieve one. Several of our main on-premises systems do not have fully tested disaster recovery capability. We are investing in cloud-based services to replace on-premise systems that are nearing end of life.

#### TARGET STATE

A single integrated plan for the investment and use of technology across the Transport Agency is being delivered and regularly updated to reflect the changing environment.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Single integrated investment plan created and key milestones being tracked	Plan created Milestones tracked	Plan created Milestones tracked	Not achieved

A single integrated plan was created as planned, but on review it was found not to address key issues. Consequently, a revised plan for the work required over the next 12-24 months is being developed.

<sup>10</sup> Key on-premises systems are applications that run the business and the data bound to those applications that relies on a physical server.

SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our transport technology position. Delivery of all three activities was delayed by significant issues uncovered in how our Connected Journeys Solutions group was operating. The activities were paused and re-assessed against our strategic priorities while the group and its work programmes were reviewed, so did not progress as planned.

**TRANSPORT TECHNOLOGY SIGNIFICANT ACTIVITIES 2018/19**

**YEAR-END RESULT**

4.1 Enable customers to have the opportunity to shape New Zealand’s digital transport technology system through pilots and the roadmap ●  
NOT ACHIEVED BUT  
SOME PROGRESS MADE

The aim of the Future Transport work programme is to ready New Zealand for new and emerging transport technologies and business models. We are revising our work programme in response to the review of our Connected Journey Solutions group.

4.2 Invest in the priority components necessary to deliver an enduring and flexible digital transport system ●  
NOT ACHIEVED BUT  
SOME PROGRESS MADE

The Mobility Operating System Programme, Transport Operating System Programme and National Ticketing Solution are the priority components for this activity.

The Mobility Operating System Programme’s alignment with our strategic priorities has been confirmed and activity is resuming to progress the platform and app, develop the other mobility-as-a-service (MaaS) components, and extend MaaS capability to additional regions in New Zealand.

The Transport Operating System Programme will deliver products to support our network operations, including safety. In January 2019, an incident and event management system was deployed in the Wellington region. We are also in the final states of developing a business case for 2019/20 to address legacy systems and identify longer-term investments.

The National Ticketing Solution is a multi-year programme being delivered in collaboration with and led by regional councils. The Regional Interim Ticketing Solution is behind schedule mainly due to implementation complexities being underestimated in early planning. The national solution will eventually replace the regional solution, and we have completed a request for tender for the three underlying components of the national solution and completed a registration of interest to shortlist global suppliers.

4.3 Understand the environment and have in place aligned forward plans for investment in the products. ●  
NOT ACHIEVED BUT  
SOME PROGRESS MADE

We laid the foundation for successful delivery of the Future Transport, Transport Operating System and Mobility Operating System work programmes, and with the review of our Connected Journey Solutions Group complete, plans for all three work programmes are well advanced.

# RESILIENCE

## KIA MANAWAROA



### OUR POSITION

Our position is the resilience of the land transport system is increased by managing risks and long-term resilience challenges and by helping communities quickly recover from disruptions.

### TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we have committed to delivering a system that is recognised as appropriately adapting to climate change and establishing an organisational reputation as highly responsive to significant disruption.<sup>11</sup>

### OUR PROGRESS THIS YEAR

The Resilience National Strategic Case was endorsed by the Transport Agency Board in November 2018. A programme business case, to be delivered in the first quarter of 2020, will investigate and prioritise potential resilience interventions and develop a programme of preferred activities to achieve the resilience outcomes we want to achieve for New Zealand. This will include enhancing New Zealand's capacity to cope with unplanned disruptive events.

In 2019/20, we will establish baselines for the proportion of key social and economic corridors with viable alternative routes and for the proportion of events where communities and stakeholders recently affected by significant disruption report the Transport Agency was highly responsive.

We ran a significant programme of Coordinated Incident Management System training for the Transport Agency and its partners to lift capacity and capability for emergency management response. The proportion of unplanned road closures resolved within standard timeframes increased by 3 percentage points to 85 percent.

With local government and other partners, we began to build a shared understanding of risk tolerance for communities and business and improve capability and self-sufficiency to manage disruptive events.

<sup>11</sup> Target states for resilience were updated after we published our *Amended statement of performance expectations 2018/19*.

# 85%

of unplanned road closures resolved within the standard timeframes\*

\*less than 2 hours for urban roads and less than 12 hours for rural roads



# 2.3 OUT OF 5\*

is the level of confidence stakeholders and partners have that the transport system is appropriately adapting to climate change

\*where 1 is 'not at all confident' and 5 is 'extremely confident'



Our stakeholders and partners reported a level of confidence of 2.3 out of 5 (where 1 is 'not at all confident' and 5 is 'extremely confident') that the transport system is appropriately adapting to climate change. They told us we need to be clearer about the change in direction of system-wide responses to climate change, improve implementation, remove institutional barriers to adapting to climate change, and increase visibility of climate change initiatives.

### PERFORMANCE MEASURES

We monitor progress through measures for our position statement and target states. We also set out significant activities to achieve every year.

Contributions to our resilience position come from activities and investments in the five output classes:

- state highway improvements
- state highway maintenance
- regional improvements
- local road improvements
- local road maintenance.

#### POSITION STATEMENT

The resilience of the land transport system is increased by managing risks and long-term resilience challenges and by helping communities quickly recover from disruptions.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of key social and economic corridors with viable alternative routes	Baseline to be set once Government Policy Statement measures are finalised by the Ministry of Transport		

#### TARGET STATE

A system that is recognised as appropriately adapting to climate change.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Level of confidence of stakeholders and partners that the transport system is appropriately adapting to climate change	Baseline to be set in 2018/19, then increasing	2.3 out of 5 (where 1 is 'not at all confident' and 5 is 'extremely confident')	Baseline set

Our stakeholders and partners told us we need to be clearer about the change in direction of system-wide responses to climate change, improve implementation, remove institutional barriers to adapting to climate change, and increase visibility of climate change initiatives.

#### TARGET STATE

The reputation as highly responsive to significant disruption.

MEASURE	2018/19 TARGET	BASELINE	RESULT
Proportion of events where communities and stakeholders recently affected by significant disruption report that the Transport Agency was highly responsive	Baseline to be set in 2019/20, then increasing		

## SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our resilience position.

**INCLUSIVE ACCESS SIGNIFICANT ACTIVITIES 2018/19****YEAR-END RESULT**

5.1	Build capability and/or resources with our central and local government partners to deliver against resilience priorities more effectively for communities.	 SUBSTANTIALLY ACHIEVED
	<p>We focused on building internal and external capability and resources for and with our partners. We ran a significant programme of Coordinated Incident Management System training (at levels 2 and 4) to lift the Transport Agency's capacity and capability for emergency management response and in line with the recently adopted Highways Emergency Management Framework and Plan. Outside partners were also present for the training. Work to develop and update resilience resources for staff, consultants and partners on our website has progressed but with some limitations.</p>	
5.2	Draft the Resilience National Business Case	 SUBSTANTIALLY ACHIEVED
	<p>The strategic case for the Resilience National Business Case was completed and endorsed in November 2018. The contract for the development of the programme business case will be awarded in July with a target delivery date for the programme business case of the first quarter of 2020. Targeted consultation on the programme business case to achieve recognition of and better insights for the business case is expected to take place in the second half of 2019.</p>	
5.3	Begin joint programmes with local government and other partners to build a shared understanding of risk tolerance for communities and business, and improve capability and self-sufficiency to manage disruptive events.	 SUBSTANTIALLY ACHIEVED
	<p>Progress has been slower than intended, but several pilots being explored and developed, with meetings and options development occurring in Waikato, Bay of Plenty and upper South Island. Input from local communities is critical to developing a framework to establish community risk tolerances, risk appetites and social impacts of disruptive events.</p> <p>We also tendered a project under our research programme on best practice community engagement for resilience issues, particularly with communities affected by recent events. This project is expected to be under way in the first quarter of 2019/20.</p>	
5.4	Include a broader range of benefits and costs for resilience project evaluations through the Investment Decision-Making Framework Review.	 SUBSTANTIALLY ACHIEVED
	<p>The desired outcome - a broader range of benefits and costs included for resilience interventions - was identified in the work to scope and develop a new investment decision-making framework. Options to include broader benefits and costs are being investigated through the review process, and the framework is expected to be implemented mid to late 2020.</p>	



# ENVIRONMENT MANĀKI TAIAO

## OUR POSITION

Our position is that we will responsibly manage the land transport system’s interaction with people, places and the environment.

## TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we have committed to:

- getting implementation under way of a prioritised work programme to deliver on the government’s environmental targets for the transport sector
- leading the public sector in offsetting greenhouse gas emissions from staff travel and significantly reduced emissions from our vehicle fleet
- reporting against approved environmental key performance indicators for infrastructure delivery and network management contracts that the National Land Transport Fund fully funds
- valuing environmental and public health impacts appropriately in investment decision making.

## OUR PROGRESS THIS YEAR

Major achievements this year included developing a draft Sustainability Action Plan and Sustainability Monitoring Framework focused on mitigating climate change, improving public health and reducing environmental harm.

As part of this work, we developed and tested three indicators focused on biodiversity, resource efficiency and environmental management performance that can be used from 2019/20 onwards in Network Outcomes Contracts and for monitoring capital projects.

We also made progress on developing a prioritised programme to deliver on the government’s environmental targets for the transport sector.

**11,500  
KILOTONNES**

of carbon dioxide from the road transport network in 2018



**4778  
TONNES**

of carbon dioxide equivalent emissions from Transport Agency staff travel

**469  
TONNES**

of carbon dioxide equivalent emissions from Transport Agency fleet vehicles

Ultimately, we would like to see greenhouse emissions from land transport reduce. On the road network, 11,500 kilotonnes of carbon dioxide was emitted in 2018, an increase of 6.5 percent from 2016 and 2017, mostly due to increased emissions from the light vehicle fleet. We set baselines this year for greenhouse gas emissions from staff travel and our vehicle fleet, which we aim to reduce.

### PERFORMANCE MEASURES

We monitor progress through measures for our position statement and target states. We also set out significant activities to achieve every year.

#### POSITION STATEMENT

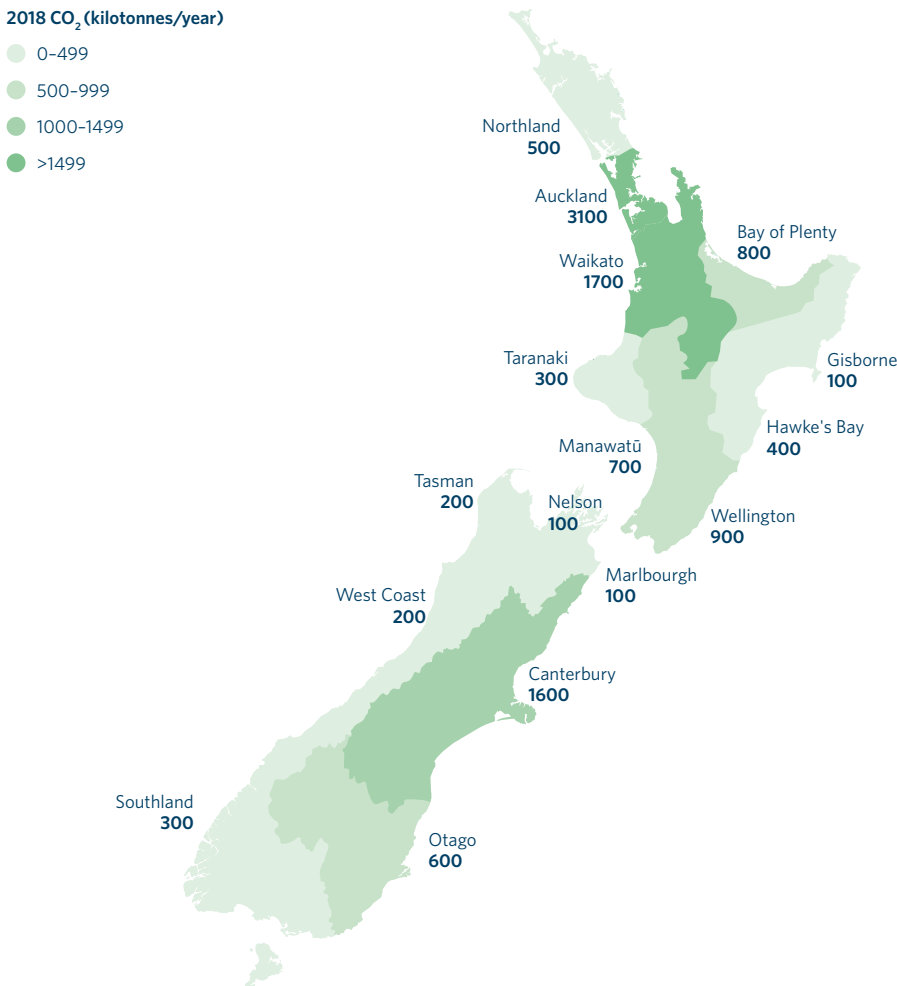
We will responsibly manage the land transport system’s interaction with people, places and the environment.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Greenhouse gas emissions from the transport system <sup>a</sup>	Reducing	11,500 kilotonnes carbon dioxide from the road transport network in 2018 <sup>b</sup>	Increasing

<sup>a</sup> This measure is calculated from fuel usage based on data from our fuel card provider.

<sup>b</sup> These emissions are derived from the Transport Agency National Vehicle Emission Database with estimates based on the fleet’s travel on the transport network in the 2018 calendar year. This is a different method to that the Ministry for the Environment uses in its national emissions inventory, so the numbers from the two methods are not directly comparable.

Figure 6: Carbon dioxide (kilotonnes per year), 2018



Emissions from the road network in 2018 totalled 11,500 kilotonnes, mainly from light vehicles and almost evenly split between petrol and diesel vehicles. The largest proportion of emissions came from Auckland, Waikato and Canterbury regions. From 2016 to 2018, overall land transport emissions increased around 6.5 percent (from 10,800 kilotonnes in 2016 and 2017) and most of the increase was due to an increase in emissions from the light vehicle fleet. Our Sustainability Action Plan has a strong focus on reducing emissions from the land transport network.

**TARGET STATE**

Implementation under way of a prioritised work programme to deliver on the government’s environmental targets for the transport sector

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Prioritised work programme finalised	Prioritised work programme finalised	Prioritised work programme to deliver on the government’s environmental targets for the transport sector is near completion. Parts of the programme are being implemented.	Substantially achieved

This activity forms the delivery component of our Sustainability Action Plan. The plan addresses complex land transport challenges. A prioritised programme is substantially developed and significant parts are being implemented, including changes to investment decision making to facilitate investment and planning for long-term sustainable outcomes (reduced emissions, improved public health, reduced environmental harm). An emissions reduction focus is embedded in our mode shift plan.

Development of the Sustainability Action Plan and its prioritised work programme is the first step in a long-term commitment to significantly reduce adverse impacts of the land transport system on people, the environment and the climate and to significantly improve public health.

**TARGET STATE**

Leading the public sector in offsetting greenhouse gas emissions from staff travel and significantly reduced emissions from our vehicle fleet.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Net greenhouse gas emissions (carbon dioxide equivalent) from staff travel (including offsets)	Baseline set	4778 tonnes of carbon dioxide equivalent	Baseline set
Transport Agency fleet vehicle emissions (carbon dioxide equivalent)	Baseline set	469 tonnes of carbon dioxide equivalent	Baseline set

Net greenhouse gas emissions from staff travel are measured data about Transport Agency staff travel by plane, taxi and other vehicles. Flying is the main source of emissions (87 percent) and flight-related carbon dioxide equivalent emissions grew 29 percent from 2017/18.

Carbon dioxide equivalent emissions from our vehicle fleet grew 4.7 percent from 2017/18, even with the addition of over 40 electric vehicles to replace fossil fuel vehicles in the fleet. Having established this baseline, we are now exploring why emissions increased over the past year and what needs to be put in place to reduce them. This includes complying with government procurement guidelines that virtually all new vehicles entering the government fleet should be emissions free by 2025/26.

Our Sustainability Action Plan will include a process for offsetting emissions, as well as targets for reducing and offsetting emissions from our fleet and activities, to be implemented from 2019/20.

## TARGET STATE

Reporting against approved environmental key performance indicators for infrastructure delivery and network management contracts that are 100 percent funded by the National Land Transport Fund.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
			Partially achieved overall
Sustainability strategy in place	Achieved	Strategy developed and under consideration	Partially achieved
Base set of key performance indicators approved and rolling into Network Outcome Contracts	Achieved	Indicators drafted	Partially achieved
Subset of new capital projects (eg resilience) include base set of key performance indicators	Achieved	Pending final indicators	Not achieved

As part of our Sustainability Action Plan, we developed and tested three environment indicators focused on biodiversity, resource efficiency and environmental management performance. We expect these indicators to roll into Network Outcomes Contracts and capital projects from 2019/20 to achieve the 2019/20 measure (full set of key performance indicators approved and a national reporting tool in place).

## TARGET STATE

Environmental and public health impacts are appropriately valued in investment decision-making processes.


MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Investigate the methodologies for monetising or quantifying public health and environmental impacts	Investigate the methodologies for monetising or quantifying public health and environmental impacts	Programme of work focused on investment settings for sustainable public health and environmental impacts and outcomes developed for inclusion and implementation through the Investment Decision-Making Framework Review	Substantially achieved

Investigation of the methodologies for monetising or quantifying public health and environmental impacts forms part of the implementation of the Sustainability Action Plan. We developed and started a programme of work focused on investment settings for sustainable public health and environmental impacts and outcomes to include and implement through the Investment Decision-Making Framework Review.

SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our environment position.

**LIVEABLE COMMUNITIES SIGNIFICANT ACTIVITIES 2018/19** **YEAR-END RESULT**

<p>6.1 Build and begin monitoring an environmental sustainability performance framework, including climate change mitigation measures.</p> <p>We developed a draft environmental sustainability performance framework (the Transport Agency Sustainability Monitoring Framework) that we will use to track progress towards our Sustainability Action Plan. The headline measures in the framework relate to the scope of the action plan: climate change mitigation, improving public health and reducing environmental harm. Wherever possible, the measures align with proposed measures for the Transport Outcomes Framework and the Government Policy Statement on land transport.</p> <p>The framework also includes 'intervention measures' that relate to the work of the Transport Agency that will contribute to achieving these three key outcomes; for example, assessing land transport system improvement options, investment decision making, and state highway contract and regulatory performance.</p>	 SUBSTANTIALLY ACHIEVED
<p>6.2 Develop a sustainability strategy, focusing on climate change, improving public health and reducing environmental harm, that incorporates robust measures and targets and is supported by a comprehensive implementation plan.</p> <p>We developed a draft sustainability strategy (the Sustainability Action Plan) that focuses on reducing land transport greenhouse gas emissions to mitigate climate change, improving public health by addressing air and noise pollution and supporting increased physical activity as part of daily travel choices, reducing environmental harm to biodiversity and water quality from land transport construction and operation, and improving resource efficiency. The plan also addresses the corporate sustainability of the Transport Agency, with an initial focus on reducing business travel emissions.</p> <p>The plan will be delivered through implementation packages focused on our core functions and levers and setting out actions for a one- to three-year period.</p> <p>The plan addresses complex land transport challenges. Following the plan's endorsement by the Transport Agency Board, we will be able to invest, plan and partner for measurable emissions reductions, improved public health and reduced environmental harm aligned to the environment, access and safety results in the Government Policy Statement on land transport and the Transport Outcomes Framework outcomes of 'environmental sustainability' and 'healthy and safe people'. We will also be able to position our organisation to respond to requirements under the Climate Change Response (Zero Carbon) Amendment Bill (when enacted).</p>	 SUBSTANTIALLY ACHIEVED

# REGULATORY WHAKARITENGA



## OUR POSITION

Our position as the transport regulator is that our systems should be intuitive and clear to ensure people make good transport choices, while harmful behaviour is swiftly dealt with.

## TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

In 2019/20, we committed to achieving an efficient compliance and enforcement function that is transparent, fast and fair in dealing with non-compliance. This commitment replaced the target states published in our *Amended statement of performance expectations 2018/19*.

## OUR PROGRESS THIS YEAR

On 15 October 2018, we announced an extensive review of open compliance files, and a new tougher approach to strengthen our regulatory responsibilities and functions.

The review came about after concerns were raised by the former Transport Agency Board chair about how the Transport Agency had failed to take enforcement action against those in the industry who were non-compliant with vehicle-testing regulations. Further discussion revealed that more than 850 files required urgent attention, with some showing a risk to public safety. In late September 2018, the board engaged law firm Meredith Connell to review these files to prioritise those that may be a risk to safety.

By November 2018, we had completed a stabilisation phase, which involved reviewing files prioritised as a risk to safety, further investigations and action. Work on reviewing the remaining files continues. The review of high priority files required a shift in focus and changes to expected work programmes for our Regulatory Group.

The nature and complexity of the outstanding compliance matters, coupled with an approach that focused on ongoing education and encouragement to address and remedy compliance, meant that existing performance measures could not indicate a potential regulatory compliance failure.

New performance measures have been developed for 2019/20 that will improve monitoring of compliance.

## 1271 CASES

of regulatory non-compliance resolved  
(including 620 enforcement actions taken  
against non-compliant regulated parties)

## 100%

of licensing and regulatory compliance  
operational assurance activities completed

## 293,000 TOLL ACCOUNTS

active that cover  
payments for 77%  
of all trips taken  
on toll roads

## 7.4 DAYS

fewer, on average,  
to deliver fuel  
excise duty  
refunds

## 12 MINUTES

average travel-time savings on the Northern  
Gateway compared with the free route

## 29 MINUTES

average travel-time savings on the Tauranga  
Eastern link compared with the free route



We are making progress on a future state phase that will shape our future approach to regulatory compliance. It includes:

- considering how we strengthen entry requirements to the land transport sector
- improving how we monitor and enforce compliance
- considering the overall strategic and operational aspects of our regulatory role.

We continued to deliver core functions such as collecting road toll revenues and managing the tolling systems, operating and maintaining the motor vehicle register, collecting and enforcing road user charges, and administering fuel excise duty refunds.

**PERFORMANCE MEASURES**

We monitor progress through measures for our position statement, target states and output classes. We also set out significant activities to achieve every year.

New performance measures have been developed for 2019/20 that will improve monitoring of compliance. Others will be confirmed following findings from the Ministry of Transport’s review into our regulatory functions.

Our regulatory position is delivered through activities and investments in five output classes:

- licensing and regulatory compliance
- road tolling
- motor vehicle registry
- road user charges collection, investigation and enforcement
- refund of fuel excise duty.

**POSITION STATEMENT**

Our systems should be intuitive and clear to ensure people make good transport choices, while harmful behaviour is swiftly dealt with.

MEASURE	TARGET
Proportion of reviewed non-compliance actions that are in line with Transport Agency regulatory intervention guidelines	Baseline to be set in 2019/20

**TARGET STATE**

An efficient compliance and enforcement function that is transparent, fast and fair in dealing with non-compliance.

MEASURE	TARGET
To be developed following completion of the Ministry of Transport’s regulatory review	

## SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activity to help us deliver our regulatory position.

**REGULATORY SIGNIFICANT ACTIVITY 2018/19****YEAR-END RESULT**

7.1 Develop and begin to implement a future state regulatory function

 ACHIEVED  
(SEE PAGE 66)

By the end of June 2019, we had developed plans for implementing our future state regulatory function and completed the first stage to increase our regulatory capacity.

## OUTPUT CLASS

**LICENSING AND REGULATORY COMPLIANCE**

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

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 over-dimension vehicles
- administer alcohol and other drug 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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
LR1	Unit transaction costs	Not Achieved	\$18.59	≤\$13.00	\$5.59	\$11.42
	Unit transaction costs rose in line with increased operating costs due to more non-compliance being identified and additional resources to address this non-compliance.					
LR2	% of transactions completed online	Achieved	60%	≥50%	10%	46%
LR3	% accuracy of data entry into registers	Achieved	97%	≥93%	4%	97%
LR4	% of operational assurance activities completed <sup>a</sup>	Achieved	100%	100%	0	78%

<sup>a</sup> Operational assurance activities planned for the year were prioritised following the extensive review of open compliance files in October 2018. Activities were redirected to open cases with high risk to safety, and more investigations applying the new tougher approach to compliance.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
LR5	% of activities that are delivered to agreed standards and timeframes	Achieved	97%	≥90%	7%	94%

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	101.7	98.3	3.4	99.0
Expenditure	123.7	106.6	17.1	99.0
Net surplus (deficit)	(22.0)	(8.3)	(13.7)	0.0

The licensing and regulatory compliance output class recorded a net deficit of \$22 million.

Licensing and regulatory compliance income was \$3.4 million above budget (3 percent) due to volumes being slightly higher than expected.

Expenditure was \$17.1 million above budget (16 percent). Expenditure was higher than planned due to the associated costs of the regulatory review and rectification activities, which caused a large overspend in this output class. These costs include increased operational costs, legal and additional resources being applied to address the non-compliance for warrant of fitness, certificate of fitness and heavy vehicle certification-related issues and recertification costs relating to suspended vehicle certifiers.

See page 139 for full details on output class funding and expenditure.

**OUTPUT CLASS** **ROAD TOLLING**  
*Delivered by the Transport Agency and funded from fees and charges*

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 road networks. Toll roads are located north of Auckland (Auckland Northern Gateway) and Tauranga (Tauranga Eastern Link and Takitimu Drive).

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
RT1	Unit transaction costs	Achieved	\$0.73	≤\$0.75	\$0.02	\$0.70
RT2	% revenue compliance	Not achieved	96%	≥97%	1%	97%

Revenue compliance results are consistent with results since road tolling operations began, reflecting the number of casual toll road users where the Transport Agency has been unable to identify the liable driver or locate their residential address or where casual users have failed to respond to debt collection activities.

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	16.1	15.5	0.6	15.2
Expenditure	16.9	15.8	1.1	15.6
Net surplus (deficit)	(0.8)	(0.3)	(0.5)	(0.4)

Road tolling recorded a net deficit of \$0.8 million.

Road tolling income was \$0.6 million above budget due to increased trip volumes.

Tolling expenditure was \$1.1 million above budget. Increased expenditure was due to higher costs related to maintenance of tolling software and increased volumes, which resulted in higher postage and collection costs for non-compliant customers.

See page 137 for full details on output class funding and expenditure.

**OUTPUT  
CLASSES**
**MOTOR VEHICLE REGISTRY**

Delivered by the Transport Agency and funded from fees and charges

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 must be met before it can be licensed for use on the road. This improves vehicle safety and reduces adverse environmental effects.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
MVR1	Unit transaction costs	Achieved	\$4.78	≤\$4.95 <sup>a</sup>	\$0.17	\$4.64 <sup>b</sup>
MVR2	% of transactions completed online	Achieved	57%	≥50%	7%	49%
MVR3	% accuracy of data entry into registers	Achieved	96%	≥95%	1%	97%
MVR4	% revenue compliance	Achieved	98%	≥98%	0	98%

a The target was recalculated from ≤\$4.60 to ≤\$4.95 to correct a computation error that was carried over from 2017/18.

b The 2017/18 actual, reported as \$4.09 in the *NZ Transport Agency annual report 2018*, was recalculated due to a computation error. See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	52.1	53.5	(1.4)	53.6
Expenditure	53.7	53.7	(0.0)	52.3
Net surplus (deficit)	(1.6)	(0.2)	(1.4)	1.3

Motor vehicle registry output class recorded a deficit of \$1.6 million. This was largely due to a flow-on effect of purchasing behaviours for vehicle registration where vehicle owners are registering their vehicles for a whole year rather than shorter periods.

See page 140 for full details on output class funding and expenditure.

**OUTPUT CLASSES** **ROAD USER CHARGES COLLECTION, INVESTIGATION AND ENFORCEMENT**  
*Delivered by the Transport Agency and funded from the National Land Transport Fund and fees and charges*

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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
RUC1	Unit transaction costs	Achieved	\$4.36	≤\$4.50	\$0.14	\$3.69
RUC2	% of transactions completed online	Achieved	69%	≥65%	4%	66%

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	17.4	17.7	(0.3)	17.0
Expenditure	21.5	19.6	1.9	17.5
Net surplus (deficit)	(4.1)	(1.9)	(2.2)	(0.5)

The RUC output class recorded a net deficit of \$4.1 million. The deficit was higher than planned due to lower income from RUC transaction fees (\$0.3 million below budget). Expenditure was higher than planned due to software application write-off costs.

See page 131 for full details on output class funding and expenditure.

OUTPUT  
CLASSES**REFUND OF FUEL EXCISE DUTY***Delivered by the Transport Agency and funded from the National Land Transport Fund*

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.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
FED1	Average number of days to deliver	Achieved	16 days	≤20 days	4 days	23.4 days

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	0.8	0.8	(0.0)	0.8
Expenditure	0.8	0.8	(0.0)	0.8
Net surplus (deficit)	0.0	0.0	0.0	0.0

Refund of excise duty expenditure was on budget.

See page 131 for full details on output class funding and expenditure.

# TRANSPORT AGENCY WAKA KOTAHI



## OUR POSITION

Our position is that the Transport Agency is respected by partners, stakeholders and customers for its responsive and engaged people and its timely delivery of sustainable transport solutions.

## TARGET STATES - WHAT WE AIM TO ACHIEVE BY 2021

By 2021, we have committed to building a reputation of being a lead public sector agency known for agile thinking and fast-tracking solutions and for workplace safety for our employees and contractors.

We also committed to being known as an employer of choice, offering a diverse, fair, safe and dynamic work environment and operating in a resilient digital environment with class-leading security and smart processes.<sup>12</sup>

## OUR PROGRESS THIS YEAR

We need to rebuild our relationships with our co-investors and partners through regular engagement and by working closely with them to deliver national, regional and local projects that progress the priorities in the Government Policy Statement on land transport. On average, only 39 percent of our partners and co-investors surveyed this year provided positive answers about our responsiveness, engagement and delivery of transport solutions compared with 52 percent of customers (giving an average of 45.3 percent). Just over a third of our partners and co-investors think the Transport Agency is known for agile thinking and fast-tracking solutions.

We are unable to report this year on whether staff consider the Transport Agency a safe place to work. However, 58 percent of staff surveyed thought the health safety and wellbeing of people is seriously addressed in our systems, processes and work environment and 46 percent thought we had clear, consistently applied systems for dealing with intimidating behaviour and workplace bullying. We have policies and work programmes on physical and mental health and wellbeing, including bullying and harassment (detailed on page 163).

<sup>12</sup> Target states for Transport Agency were updated after we published our *Amended statement of performance expectations 2018/19*.

**45.3%**

of Transport Agency partners, stakeholders and customers report the Transport Agency is responsive, with engaged people and timely delivery of sustainable transport solutions

**97.4%**

of our staff responded appropriately to mock security incidents

**59.0%**

of staff that agree that 'this organisation is a great place to work'

**36.8%**

of stakeholders consider the Transport Agency to be known for agile thinking and fast-tracking solutions



**BASIC**

cyber-security maturity

**7 COMMITTEES**

for regional health, safety and wellness established with 118 health and safety representatives

The Transport Agency Board endorsed a revised health and safety policy and charter, and we will develop a new health and safety strategy in 2019/20 to give effect to the charter.

Following the tragic and unacceptable death of four road workers in Bay of Plenty and Wellington this year, we worked with our construction contractors to implement system-wide improvements for workers in maintenance and construction environments. Trend data over January 2018 to June 2019 shows an improvement in overall staff and contractor injury rates (see page 164–165).

The proportion of staff who agree that The Transport Agency is a great place to work increased by two percentage points, to 59 percent, over the year. We didn't achieve all the activities we had planned to improve our workplace as we focused on stabilising the Transport Agency after a period of unrest and change.

We set a baseline for our cyber-security maturity rating and made improvements that should see us improve our rating next year, and our staff responded appropriately to mock security incidents.

## PERFORMANCE MEASURES

We monitor progress through measures for our position statement and target states. We also set out significant activities to achieve every year.

The investment management covers the Transport Agency's work to deliver on the Government Policy Statement on land transport and invest the National Land Transport Fund (see the National Land Transport Fund annual report, page 187, for more information about the delivery of the National Land Transport Programme).

### POSITION STATEMENT

The Transport Agency is respected by partners, stakeholders and customers for its responsive and engaged people and its timely delivery of sustainable transport solutions

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of Transport Agency partners, stakeholders and customers that report the Transport Agency is responsive, with engaged people and timely delivery of sustainable transport solutions	Set baseline	45%	Baseline set

This result is a combined result of an annual customer survey and surveys of our partner and co-investor stakeholders that will now be run annually. The result draws on questions about our responsiveness, whether our people are engaged, and whether we deliver timely transport solutions in a way that minimises harm to the environment.

Our partners and co-investors reported lower scores than customers across these questions. On average, only 39 percent of our partners and co-investors provided positive answers about our responsiveness, engagement and delivery of transport solutions compared with 52 percent of customers.

The most positive results came from customers who transact with our licensing, registration and payment services. For example, almost 8 in 10 said it was easy to re-license their vehicle.

Partners and co-investors were less likely to be positive about interacting with the Transport Agency. For example, only 4 in 10 said we engage in two-way dialogue on matters of importance to their organisation, and only 3 in 10 said we respond to changes in the wider operating environment.



TARGET STATE

The reputation of lead public sector agency known for agile thinking and fast-tracking solutions.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of surveyed stakeholders that consider the Transport Agency to be known for agile thinking and fast-tracking solutions	Set baseline	36.8%	Baseline set

This measure draws on questions from the satisfaction survey of our partners and co-investors. The survey shows that just over a third of our partners and co-investors think the Transport Agency is known for agile thinking and fast-tracking solutions. Survey answers tended to be more positive about staff (for example, 53 percent said Transport Agency staff focus on solutions) and more negative about processes (for example, only a third of stakeholders felt the Transport Agency makes effective use of transport technology).

Our last annual satisfaction survey of our partners and co-investors, with a broadly similar methodology, was run in 2015. Overall satisfaction at that time was at 71 percent, a high rating compared with other government agencies at the time. This year, we re-established an annual opinion survey and found overall partner and co-investor satisfaction had fallen to 45 percent. The fall reflects substantial changes in the way the Transport Agency operates and supports the work we have under way to significantly improve our engagement with partners and co-investors.

TARGET STATE

The reputation of a lead public sector agency for workplace safety for both our employees and contractors.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of surveyed staff who consider the Transport Agency a safe place to work	Set baseline in 2018/19 then increasing	Not available	Unable to report in 2018/19

We are unable to report on this measure due to a lack of data. However, we can get a sense of what our staff feel about the Transport Agency’s health and safety approach based on other surveys. For example:

- 58 percent of respondents considered the health safety and wellbeing of people in the Transport Agency is seriously addressed in its systems, processes and work environment
- 46 percent of respondents considered the Transport Agency had clear systems for dealing with intimidating behaviour and workplace bullying that are applied consistently.

We are actively engaging our people around health, safety and wellbeing. In early 2018/19, we completed a pilot project to train 25 of our people as mental health first aiders - feedback and uptake were positive. As part of our approach to ensuring good mental health in the workplace, we rolled out this programme and now have 72 staff trained across all our work places. Since November 2018, specific health and safety messages regularly feature in internal staff communications.

We also established seven regional health, safety and wellness committees in our offices across the country. These committees are made up of 118 health and safety representatives and have been critical to supporting the wellbeing of our people, including raising awareness around mental health and bullying and harassment.

A dedicated health and safety centre is in our Wellington office. This centre provides a visual planning environment where we can walk internal and external people through our work plan and provides an ongoing opportunity for our people to understand what initiatives are under way and how they can suggest ideas for improvements.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Staff injury rate	Set baseline in 2018/19 then decreasing	TRIFR 1.62	Baseline set

We established a baseline for our staff injury rates using total recordable injury frequency rate (TRIFR) data (based on a 12-month rolling average) to report staff health and safety incidents. Trend data over January 2018 to June 2019 shows an improvement in staff and contractor injury rates (see page 164 for more information).

#### TARGET STATE

Recognition as an employer of choice, offering a diverse, fair, safe and dynamic work environment.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Demographics (for example, gender, ethnicity, disability, part-time and remote workers, and workers on secondment) of Transport Agency employees with less than two years' service	Set baseline	Gender: <ul style="list-style-type: none"> <li>Male 43%</li> <li>Female 57%</li> </ul> Ethnicity: <ul style="list-style-type: none"> <li>European 80%</li> <li>Asian 11%</li> <li>Māori 2%</li> <li>Not stated 7%</li> </ul>	Baseline set

When our target state is reached, we will be better positioned to attract and retain high-calibre candidates from a wider pool of candidates. We apply an equality-based recruitment policy and processes, so people can see opportunity in a dynamic workplace where they have the chance to work in a variety of environments. We have focused on people employed within the last two years as the demographics of the overall organisation change slowly and a focus on diversity will initially show through new employee demography.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of staff who agree that 'this organisation is a great place to work'	Increasing from baseline of 57% as at March 2018	59%	Achieved

Regular feedback helps us to identify areas of improvement both in terms of building our culture and enabling engagement. Pulse surveys provide a mechanism for our people to give regular feedback on how they are feeling throughout the year. This encourages ongoing conversation between leaders and teams and encourages joint accountability in building on strengths and making ongoing improvements to the way we work.

#### TARGET STATE

Operation of a resilient digital environment with class-leading security and smart processes.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Rating of the Transport Agency's Protective Security Requirements cyber-security maturity	Set baseline	2.44 (Basic cyber security maturity)	Baseline set

In February 2019, we self-assessed our cyber-security maturity using the Protective Security Requirements assessment and achieved a rating of 2.44 (basic). While our target was to set a baseline in 2018/19, this result exceeded the target of 2.25 we set for July 2019 and we are on track to achieve a rating of 3.1 (managed) by June 2020.

MEASURE	2018/19 TARGET	2018/19 ACTUAL	RESULT
Proportion of Transport Agency staff who respond appropriately to mock security incidents	Set baseline in 2018/19 then increasing	97.4%	Baseline set

Our staff responded appropriately to mock security incidents. We ran security awareness initiatives throughout the year, including roadshows on how to be cyber-safe at work and at home as our staff can work remotely. All new staff must complete a mandatory cyber-security training e-module. Campaigns and education activities to maintain cyber-security awareness will be regularly run throughout 2019/20.

SIGNIFICANT ACTIVITIES

Our *Amended statement of performance expectations 2018/19* set out the following significant activities to help us deliver our transport agency position.

LIVEABLE COMMUNITIES SIGNIFICANT ACTIVITIES 2018/19

YEAR-END RESULT

8.1 Lift employee and contractor health and safety

  
SUBSTANTIALLY ACHIEVED

Through our Health and Safety Work Programme, we completed several initiatives to improve health and safety outcomes for our people and contractors. While we have made significant progress, there is more work to do to ensure the health and safety of all our people following the tragic deaths of road workers in Bay of Plenty and Wellington earlier in the year.

8.2 Close the like-for-like gender pay gap

  
NOT ACHIEVED BUT SOME PROGRESS MADE

In early 2019, the Transport Agency Board approved an initial approach to closing the like-for-like gender pay gap, pending further analysis on the gap and remediation options. Analysis of the Transport Agency's employee data by job band has shown that within most job bands, the like-for-like gender pay gap is less than +/-3%. This analysis has identified some job bands where the like-for-like gender pay gap is higher, and these will be where effort needs to be concentrated in the first instance. While we have made good progress on initiatives to close the pay gap, such as development of a salary offer comparator tool to assist hiring managers to make more informed decisions about offers to appointees, we recognise that further work is needed. The next stage will be to develop and implement a more refined approach to closing the like-for-like gender pay gap to ensure there are no unjustifiable differences between the pay for women and men.

8.3 Implement year 1 of our Diversity and Inclusion Plan

  
SUBSTANTIALLY ACHIEVED

We delivered several activities through our Diversity and Inclusion Plan, including a pilot of unconscious bias training, improved diversity metrics, diversity practices in our recruitment approach and a Diversity Champions group. We have not delivered the full-year plan as further work is required on closing the like-for-like gender pay gap.

8.4 Progress all people leaders through the Great Leaders Programme

  
NOT ACHIEVED BUT SOME PROGRESS MADE

A total of 140 out of 237 people leaders had enrolled in or completed the Great Leaders Programme. Our main focus over January to June 2019 was stabilising the Transport Agency and improving our people management basics. We are undertaking a significant review of our Great Leaders Programme to ensure it is fit for purpose for all people leaders and developing other programmes aimed at senior leaders. This work will continue in the next year. Leadership will remain a critical focus.

## 8.5 Roll out improved digital collaboration tools for all staff


  
SUBSTANTIALLY  
ACHIEVED

We focused on delivering the first phase of a multi-year programme to build a common capability for enabling collaboration across multiple locations and to provide a set of modern tools to bring the Transport Agency in line with other modern organisations. These deliverables align with the resilience programme to shift the common platform to the cloud, providing resiliency and reducing disaster recovery risks.

Work outstanding is the upgrade of the Transport Operations Centres to Microsoft Office 365, an online collaboration tool, which is due to be delivered by the end July 2019. All other users have been migrated with ongoing training continuing.

## 8.6 Improve availability and resilience of key systems


  
SUBSTANTIALLY  
ACHIEVED

The Resilience and Disaster Recovery programme is a multi-year programme to improve our ability to recover from a significant event affecting information technology data centres, systems and networks. We made progress in year 1 to improve system availability but still need to complete network upgrades across all sites. In year 2, we will deliver resilience upgrade projects that will move all corporate applications hosted on our onsite data centres to the cloud and upgrade end-of-life and supported technology solutions.

## 8.7 Commence process automation for key financial processes and develop automated workflows for selected regulatory and compliance processes


  
SUBSTANTIALLY  
ACHIEVED

This activity aims to measure progress on corporate technology projects that are led across several business portfolios. We delivered two out of three workstreams. We developed a new automated compliance workflow in the first quarter to manage ministerial questions and a finance process automation project. The workstream to develop a rail information system project was put on hold while we wait for the results of the Ministry of Transport's regulatory review.

## 8.8 Improve our cyber-security maturity


  
ACHIEVED

## 8.9 Complete our Workforce Strategy


  
SUBSTANTIALLY  
ACHIEVED

Due to leadership changes, delivery was delayed, although we made good progress with strategy development. Our Workforce Strategy will be finalised in the first quarter of 2019/20.

OUTPUT  
CLASS**INVESTMENT MANAGEMENT**

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

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 on 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 investments in the state highway network
- transport models
- land transport research.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
IM1	Total cost of managing the funding allocation system as a % of National Land Transport Programme expenditure	Achieved	1.03%	≤1.1%	0.07%	0.91%
IM2	% of investments that meet Transport Agency thresholds	Not achieved	89%	100%	11%	100%
	Although 100 percent of investments met the Transport Agency's investment threshold levels only 77% (10 of 13) of reviewed investment decisions met required process standards. This was due to incomplete documentation and inconsistencies in the information provided. We are working on possible improvements to mitigate these issues, including workshops, third-party reviews, and more robust post-approval review feedback and follow-up.					
IM3	% of operational assurance activities completed	Achieved	100%	100%	0	98%
IM4	% of activities delivered to agreed standards and timeframes (transport planning)	Not achieved	58%	≥90%	32%	65%
	Transport planning occurs in the lead up to developing a business case for investment from the National Land Transport Programme. Transport planning activities are behind schedule due to delays in delivering activities under the previous National Land Transport Programme (for example, Let's Get Wellington Moving) and slower than planned delivery of activities in the new National Land Transport Programme, which was published one month later than usual and requires a significant change in direction for the sector. More accurately forecasting such delays is an area for improvement for the sector (both the Transport Agency and approved organisations).					
IM5	% of activities delivered to agreed standards and timeframes (sector research)	Achieved	96%	≥90%	6%	100%
IM6	Average number of days to action new funding approvals	Not achieved	24.9 days	≤20 days	4.9 days	17.2 days
	We did not achieve our target due to an increase in processing times during the second quarter as we undertook a prioritisation exercise to optimise the allocation of constrained funding in several activity classes. This meant it took longer to action requests. Approval times were in line with performance targets for the rest of the year.					
IM7	% stakeholder satisfaction (approved organisations and stakeholders)	Baseline set	45%	New measure	-	New measure

See appendix B, page 175, for technical details.

	2018/19 ACTUAL \$M	2018/19 BUDGET \$M	VARIANCE \$M	2017/18 ACTUAL \$M
Income	68.2	71.1	(2.9)	60.7
Expenditure	68.2	71.1	(2.9)	60.7
Net surplus (deficit)	0.0	0.0	0.0	0.0

Investment management expenditure was \$2.9 million (4 percent) below budget. This underspend was primarily due to lower expenditure on New Zealand Business Number project. Offsetting this underspend was \$5.4 million on Provincial Growth Fund business case development and administration. The budget for the Provincial Growth Fund activities was included in the regional improvements output class.

See page 130 for full details on output class funding and expenditure.