



SECTION D PROGRESS ON THE STATEMENT OF STRATEGIC INTENT



GOAL SUCCESS INDICATORS

GOAL: INTEGRATE ONE NETWORK FOR CUSTOMERS

PEOPLE MOVEMENT IS MORE EFFICIENT AND RELIABLE:
% network productivity (vehicle speed and flow on urban networks in Auckland)

NETWORK PRODUCTIVITY: AUCKLAND URBAN NETWORK - AM PEAK

% OF OPTIMAL SPEED AND TRAFFIC FLOW

Year	% of Optimal Speed and Traffic Flow
2011/12	68
2012/13	63
2013/14	63

0%
NO CHANGE

↑
DESIRED TREND

reflects the positive effect capacity improvements are having on Auckland's urban road network and its ability to handle increasing traffic volumes.

FREIGHT MOVEMENT IS MORE EFFICIENT AND RELIABLE:
% of travel by HPMVs of total heavy vehicle kilometres travelled (VKT)

PROPORTION OF HEAVY VEHICLES TAKING UP HPMV

% OF TOTAL HEAVY COMMERCIAL VEHICLE TRAVEL

Year	Quarter	% of Total Heavy Commercial Vehicle Travel
2012/13	Q1	11
	Q2	12
	Q3	13
	Q4	12
2013/14	Q1	12
	Q2	16
	Q3	17
	Q4	19

29.2%
INCREASE

↑
DESIRED TREND

in the proportion of heavy vehicles on the road that are HPMV, which reflects stronger domestic economic conditions, the value of getting more freight onto fewer larger trucks and actions taken by the Transport Agency, in partnership with others, to encourage more HPMV permit applications.

THERE IS AN OPTIMAL RANGE OF TRAVEL AND TRANSPORT CHOICES FOR EACH LOCATION: % mode share - public transport/walking and cycling

OPTIMAL RANGE OF TRAVEL CHOICES - ACTIVE MODE SHARE

%

Year	Walking and cycling (%)	Public transport (%)
2003-06*	8	5.5
2004-07	8.5	5.2
2005-08	8.8	4.5
2006-09	8.5	5.0
2007-10	8.2	4.8
2008-11	8.5	5.2
2009-12	8.5	5.2
2010-13	8.5	5.2

1.2%
DECREASE

↑
DESIRED TREND

reflects a slight reduction in time and distance cycled by people aged under 18 and a decline in walking.

0%
NO CHANGE

↑
DESIRED TREND

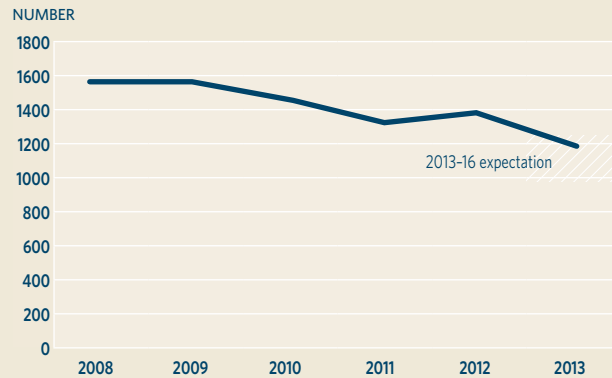
in distance travelled by public transport overall. A 29.6% increase in distance travelled by rail reflects ongoing investment in capacity improvements. However, there was a 5.8% decrease in distance travelled by bus.

*Ending March quarter — Walking and cycling — Public transport

GOAL: SHAPE SMART TRANSPORT CHOICES

SPEEDS ARE SAFE:
Deaths and serious injuries on open roads (80-100km/h)

DEATHS AND SERIOUS INJURIES IN CRASHES ON OPEN ROADS



14% DECREASE

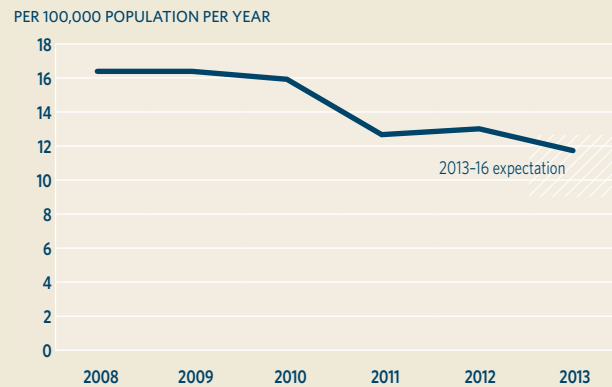


DESIRED TREND

reflects progress made on implementing the Safe System approach with increased emphasis on appropriate vehicle speeds and speed limits for the roads, drivers appreciating they are vulnerable and that people make mistakes, forgiving roads and roadsides, and enforcement of speeds above the limits.

ROADS ARE USED SAFELY:
Deaths and serious injuries in alcohol/drug related crashes

FATAL AND SERIOUS INJURIES IN ALCOHOL/DRUG CRASHES



10.3% DECREASE

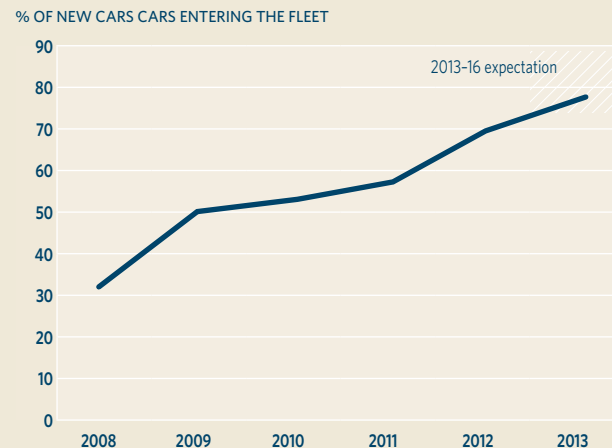


DESIRED TREND

in the number of deaths and serious injuries in alcohol/drug-related crashes can be attributed to the impact of 0% blood alcohol limits for youth driving, targeted drink-driving advertisements and continued enforcement as part of the Safer Journeys strategy.

VEHICLES ARE SAFE:
Percentage of new vehicles with five-star safety rating

NEW CARS WITH FIVE STAR RATING



9.9% INCREASE



DESIRED TREND

in the percentage of vehicles entering the vehicle fleet with a five-star safety rating reflects improvements overseas in the safety standards of vehicles supplied to New Zealand, an improving domestic economy, better employment prospects, a relatively strong NZ\$, rising confidence levels and our promotional work to encourage people to buy the safest vehicle they can afford.

GOAL: SHAPE SMART TRANSPORT CHOICES

VEHICLES ARE MORE EFFICIENT:
Average petrol and diesel consumption (litres) per 100 VKT

AVERAGE FUEL CONSUMPTION PER 100VKT

Year	Diesel (D)	Petrol (P)
2001	18.2	10.8
2002	18.4	11.0
2003	18.6	10.5
2004	18.9	9.8
2005	18.6	9.9
2006	18.8	9.9
2007	18.8	9.8
2008	19.0	10.1
2009	18.8	10.1
2010	18.9	10.5
2011	18.6	10.8
2012	18.2	10.9
2013*	18.0	10.5

**0.9%
DECREASE**

↓
DESIRED TREND

in average petrol consumption reflects the entry of more efficient vehicles into the fleet - first registration of new cars was up 12% while first registration of late-model used cars rose by almost 28% in 2013. Decreasing average speeds has also contributed to more fuel efficient driving.

**2.3%
DECREASE**

↓
DESIRED TREND

in average diesel consumption reflects the impact of work on safe and efficient driver training led by the Energy Efficiency and Conservation Authority (supported by the Transport Agency) and the entry of more fuel efficient heavy vehicles - first registration of new trucks was up almost 31% in 2013.

GOAL: DELIVER HIGHWAY SOLUTIONS FOR CUSTOMERS

HIGHWAY JOURNEYS ARE SAFER:
Number of deaths and serious injuries in head-on and run off road crashes

DEATHS AND SERIOUS INJURIES IN HEAD-ON AND RUN OFF ROAD CRASHES

Year	Number
2008	1150
2009	1150
2010	1050
2011	950
2012	950
2013	800

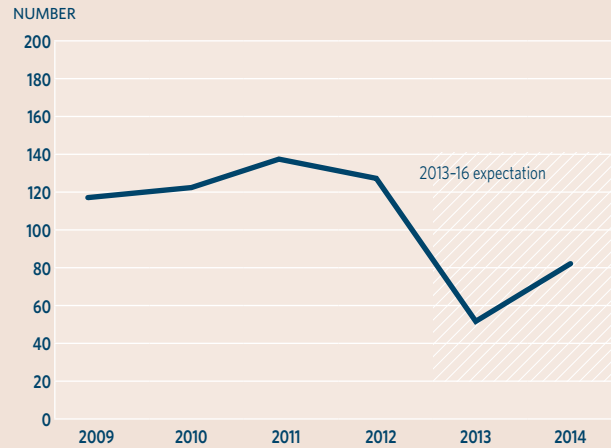
**15%
DECREASE**

↓
DESIRED TREND

reflects progress made on implementing the Safe System approach in the Safer Journeys strategy, including risk-targeted road and roadside treatments, such as median barriers, lower open road speeds and vehicle safety.

HIGHWAY JOURNEYS ARE EFFICIENT AND RELIABLE:
 Number of resolved road closures with a duration of 12 hours or longer

RESOLVED STATE HIGHWAY CLOSURES OF MORE THAN 12 HOURS*



* Also indicates the number of unplanned closures in Auckland and Wellington that have taken 2 hours or more to resolve.

52.8% INCREASE

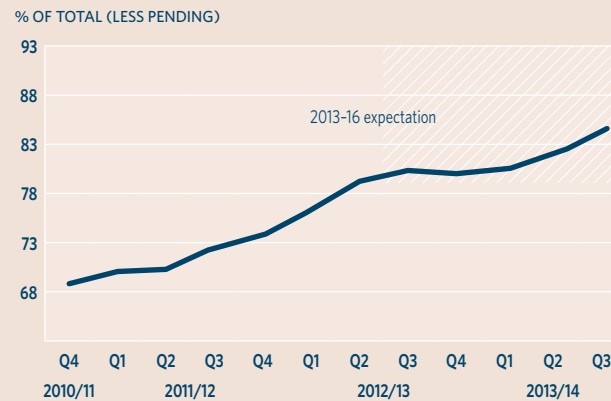


DESIRED TREND

in unplanned road closures exceeding the standard timeframes of 12 hours on the rural network and two hours on the Auckland and Wellington urban networks reflects the impact of the number of significant adverse weather events (mainly in the South Island) and crashes mainly on the urban networks.

HIGHWAYS ARE SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE:
 % compliance with state highway consent conditions

FULL COMPLIANCE WITH SH RESOURCE CONSENT CONDITIONS



5.6% INCREASE



DESIRED TREND

in the percentage of highway activities achieving full compliance with conditions of resource consents, designations and other environmental approvals shows that the Transport Agency is committed to meeting its environmental and social obligations.

GOAL: MAXIMISE RETURNS FOR NEW ZEALAND

INVESTMENT PRIORITIES

NLTF investments align to government investment priorities and have a high degree of effectiveness and efficiency.

We are working closely with our sector and local government partners to make sure that investment is aligned to agreed national, regional and local outcomes, and to deliver cost-effective 'one network' transport solutions that take into account innovative revenue, pricing and financing approaches that can enhance the value delivered by land transport investments.

See the NLTF annual report, pages 189 to 254.

PROGRESS ON OUR STRATEGIC DIRECTION - BY PRIORITY

PRIORITY 1

PUTTING CUSTOMERS AT THE HEART OF OUR BUSINESS

We are focusing on better understanding the needs of our customers and partners, so that we can deliver 'fit for purpose' solutions that reduce red tape and make it easier for them to interact with us. In 2013/14, 78% of staff used customer feedback to improve the level of service to our customers. That's a 2% increase from the previous year.

Success indicator

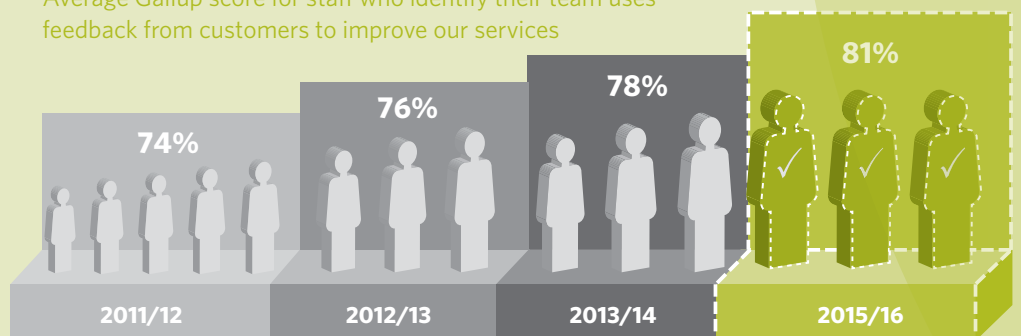
Average Gallup score for staff who identify their team uses feedback from customers to improve our services.

2012 BASELINE	2012/13 RESULT	2013/14 RESULT	2016 TARGET	DESIRED TREND
3.68	3.80	3.89	4.05	INCREASING

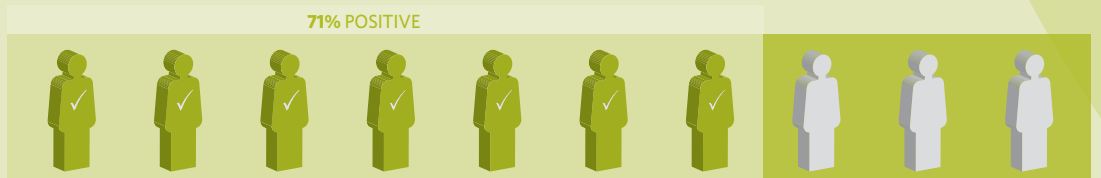
Surveyed customer satisfaction for the management of the funding allocation system output class and the new and improved infrastructure for state highways output class was respectively 19% and 22% higher than the 2013/14 target. This reflects how we have actively sought feedback from suppliers and stakeholders then used the feedback to make delivery improvements as well as clear and transparent investment decisions.

Average Gallup score for staff who identify their team uses feedback from customers to improve our services

INCREASING USE OF CUSTOMER FEEDBACK IS TRANSLATING INTO POSITIVE CUSTOMER IMPRESSIONS



People who had a positive impression when dealing with the Transport Agency



MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Customer capability training rolled out across the Transport Agency



PARTIALLY
ACHIEVED

The approach has been to create targeted training that recognises teams' different levels of understanding and needs. Examples include:

- A customer foundations workshop was rolled out to 80% of Highways and Network Operations staff and a large number of staff in other business groups.
- Advances in service design capability, with staff from across the Transport Agency attending a variety of events.
- The induction programme for all new employees now includes a segment dedicated to the Transport Agency's customer focus.
- A skills and capability review, where all employees could assess their customer service capabilities. The results told us what we need to do as an organisation and in each business group to build customer service capability in 2014/15.

These initiatives provide a firm foundation for capability development and will be continued, with new and more advanced programmes planned for the coming year.

Customer insight techniques are applied in all relevant business improvement projects



PARTIALLY
ACHIEVED

Efforts have focused on gathering customer insights to increase the Transport Agency's understanding of our customers' needs, desires and experiences. These insights are then used to inform the design and redesign of services, policies and decisions. Methods we've used to gather these insights include:

- Research into current levels of customer effort.
- An easy complaints and feedback process so customers can readily give their comments and identify any pain points.
- Customer usability testing for the refresh of the Transport Agency's website and improvements to online transaction processes.
- The support business groups conducted a joint survey of their internal customers for the first time. The results tell the groups where they need to develop service capability and what services their customers want.

Using these insights in the early stages of business improvement projects means our projects start with the customer.

Work programme underway to make it easier for customers to deal with us online



PARTIALLY
ACHIEVED

The Transport Agency's Information Services team delivered a new payment system using service-oriented architecture. Customer usability was at the heart of the design phase for the system.

PRIORITY 2

MAKING THE MOST OF URBAN NETWORK CAPACITY

We are working closely with local government in our biggest cities to ensure better integration of planning, investment and operational activities for state highways, local roads and public transport. This 'one network' approach offers significant economic gains for the entire country, as well as social benefits for drivers, cyclists and public transport users from having an urban transport network that provides safe and reliable journeys. In Auckland, for example, the 'one network' approach will ensure that network productivity (vehicle speed and flow on the urban networks) increases to the 68-70% target range by June 2015.

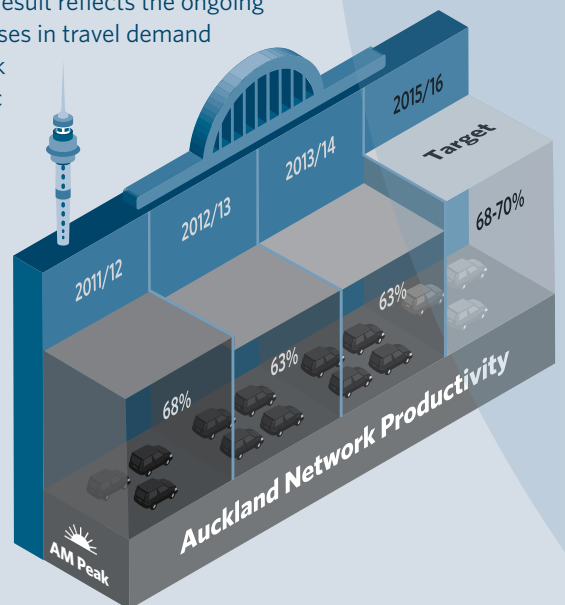
Success indicator

Network productivity (vehicle speed and flow on urban networks in Auckland).

2012 BASELINE	2012/13 RESULT	2013/14 RESULT	2016 TARGET	DESIRED TREND
68%	63%	63%	68-70%	INCREASING

Network productivity of Auckland's urban network was 63% in 2013/14, the same as that recorded for 2012/13, but lower than the 68-70% targeted for 2015/16. This result reflects the ongoing timeframe of the work to address increases in travel demand (up 2.0% in 2013/14), including network operation activities, investment in public transport and steps taken to ease significant capacity pressure points on the Auckland urban network.

WE ARE KEEPING THE WHEELS MOVING IN OUR MAIN URBAN CENTRES TO ENSURE THAT PRODUCTIVITY GAINS AND SOCIAL BENEFITS ARE DELIVERED TO THE TRAVELLING PUBLIC, BUT WE HAVE MORE WORK TO REACH OUR TARGET BY 2016.



MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Network operating plans completed in Auckland, Wellington and Christchurch, including public transport



ACHIEVED

Network operating plans have been completed in Auckland, Wellington and Christchurch. These are now being used as part of everyday business. They have informed programme development for improvements and studies, including public transport across these three networks and the business cases for the Auckland Accelerated Project Programme.

Christchurch Transport Operating Centre (CTOC) is fully operational



ACHIEVED

The CTOC was successfully launched in the first quarter of the year and is now fully operational. It provides real-time travel information through media outlets and is gaining a presence in regular weekly TV and radio slots. External feedback has been positive.

Wellington Transport Operating Centre (WTOC) is operational between Wellington City Council and the Transport Agency, with all councils committed to join



ACHIEVED

The WTOC has made significant progress this year. The WTOC became operational and Wellington City Council agreed to join the centre in the third quarter. Hutt City Council, Wellington City Council and Greater Wellington Regional Council are all part of the WTOC Board. Other councils (excluding Wairarapa) have signed up to the One Network Charter that underpins the WTOC.

Through the implementation of the Public Transport Operating Model (PTOM), Public transport activities in Auckland, Wellington and Christchurch are refocused so they measurably improve the use of network capacity



ACHIEVED

Auckland Transport (AT), Greater Wellington Regional Council (GWRC) and Environment Canterbury (ECan) are implementing PTOM. Using one model as the one tool to improve services, all three regions have redesigned their bus networks and timetables to improve services to better meet regional needs and grow patronage.

As part of new operator contracts, AT, GWRC and ECan are reviewing bus fleet requirements so the fleets are more comfortable for users, more efficient and have lower carbon emissions.

On the back of infrastructure improvements, AT and GWRC have revised their metro rail timetables and are reviewing their rail services, as they prepare to re-tender rail operations. The new electric multiple units (EMUs) are entering service in Auckland and a second tranche is in production for Wellington. Both AT and GWRC are growing patronage each month as the new EMUs begin service.

Develop business case for Christchurch transport interchange and key hubs/spokes
(Note: shared milestone with CERA, ECan and CCC)



ACHIEVED

Canterbury Earthquake Recovery Authority (CERA) completed its business case for Crown funding for the interchange. The contract to build the CERA-led bus interchange project has been awarded to an international consortium. The NLTF contribution to this project will be considered early in 2014/15.

The Transport Agency has worked closely with the CCC, ECan and CERA to develop a business case for the planned changes to the Christchurch public transport network and passenger services to continue the recovery of public transport in Christchurch. The Transport Agency expects to consider the business case for funding for these improvements early in 2014/15.

PRIORITY 3

**MOVING MORE
FREIGHT ON
FEWER TRUCKS**

We are collaborating with local government and industry to improve the performance of the freight network by developing freight plans that give businesses greater choice of transport options, opening up more of the state highway network to HPMVs and opening up the wider road network (including local roads) to 50MAX vehicles. Thanks to these initiatives, approximately 20% of total heavy vehicle kilometres travelled are now by HPMVs. This is a seven percentage point increase from the previous year.

Success indicator

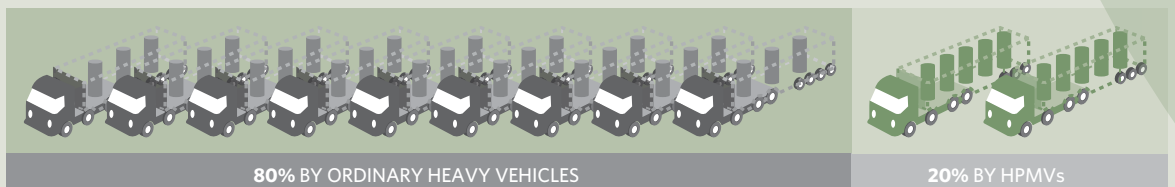
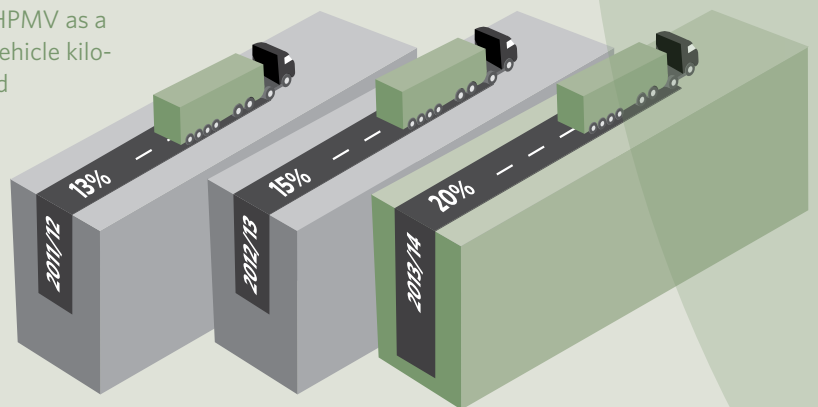
% of travel by HPMV as a total of heavy vehicle kilometres travelled.

2012 BASELINE (EST)	2013/14 RESULT	2016 TARGET
13%	20%	30%

We have achieved our target of lifting HPMV use to 20% of all heavy truck trips by the end of 2013/14. This represents about 280 million kilometres of HPMV travel and an estimated saving of about 30 to 40 million kilometres in big and heavy truck trips.

**THERE HAS BEEN
A 20% UPTAKE OF
HPMVS, REDUCING
ORDINARY HEAVY
VEHICLE TRIPS AND
IMPROVING FREIGHT
PRODUCTIVITY.
WE ARE 67% TO
ACHIEVING OUR 2016
TARGET.**

% of travel by HPMV as a total of heavy vehicle kilometres travelled



MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Deliver access to 1,500 kilometres on the strategic HPMV freight network



ACHIEVED

We have delivered 1,500 kilometres of the High Productivity Freight Network in the upper North Island. The network is made up of routes that will be able to carry vehicles weighing up to 58 tonnes (or 62 tonnes if the routes are suitable for longer 23-25 metre HPMVs). These upgrades have also opened up bridges on these routes to 50MAX HPMVs. Work has now started on delivering the remaining 3,000kms of the High Productivity Freight Network in the lower North Island and South Island.

50MAX HPMV network available on 50% of road network



ACHIEVED

We have exceeded our target by having 64% of local councils signed up to the 50MAX one-stop permit system. This means that more than half the country's local road networks, plus state highways, are open to freight operators using a 50MAX single permit, which can be processed within five working days.

All HPMV permits for state highways are approved within five working days



NOT ACHIEVED

During the year we have improved the service levels for HPMV permits, despite a significant increase in permit requests notably with the introduction of 50MAX permits in the second quarter. By the end of the 2013/14 year, we were delivering:

- Standard permits (50MAX) within two days. During the year over 1,000 permits were issued covering the state highway network and 64% of the local road network on behalf of 45 local councils.
- Complex permits (other HPMVs) within an average of four weeks (19 working days), compared to nine weeks (45 working days) at the start of the year. We have improved the processing times for these following a significant increase in complex permits in the third quarter.

Processing all permits within the five-working-day objective has proved unrealistic, due to the significant engineering checks required for some applications. We are now reworking our thinking to develop a clearer service promise for HPMV customers, which is reflected in the 2014/15 Statement of intent. This HPMV service promise distinguishes between 'standard' (requires little technical assessment) and 'complex' (requires considerable assessment) permits.

Weigh Right Action Plan completed and agreed with key parties involved.

(Note: this is a shared milestone with NZ Police)



IN PROGRESS,
BUT SOME DELAY
AGAINST
PROGRAMME

To make headway in the Weigh Right work, the investment in smart weigh devices was separated from the compliance and enforcement questions around weight compliance (such as discouraging illegal overloading or collection, more efficient use of Police resource and collection of unpaid road-user charges (RUC)).

Working with the NZ Police Commercial Vehicle Investigation Unit (CVIU), we have developed a number of investment options for smart weigh devices. They focus on key freight routes, including routes with bridges that have limited carrying capacity. By installing these weigh devices we can open these bridges to HPMVs without costly and potentially uneconomic upgrades. These weigh devices have been included in the State Highways Asset Management Plan (SHAMP) for the 2015-18 NLTP process.

The task for 2014/15 will be to work with CVIU to develop an operational strategy for Weigh Right that maximises the technology investment to meet the regulatory and compliance needs of both the Transport Agency and the NZ Police.

PRIORITY4

SAFE SPEEDS TO REDUCE DEATHS AND SERIOUS INJURIES

We are working closely with our road safety partners to forge a new national direction and guidance for speeds. They will be defined by road function, design and use. We are continuing to change the public's attitude about safe speeds through road safety campaigns, including the internationally acclaimed 'Mistakes' advertising campaign and by jointly leading a cross-sector programme on the impact of travel speeds. These initiatives have helped to reduce deaths and serious injuries on open roads from 1,353 for the year ended June 2012 to 1,267 for the year ended June 2014.

Success indicator

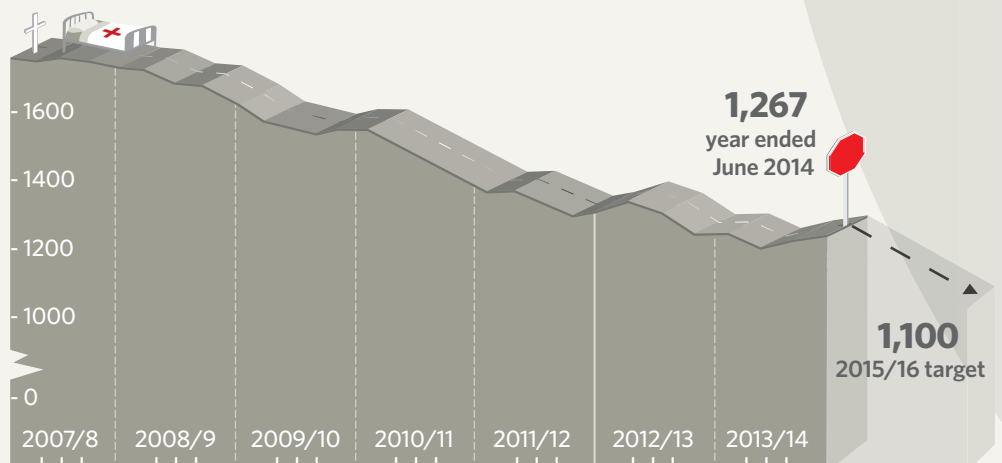
Number of deaths and serious injuries on open roads (80-100km/h).

2012 BASELINE (EST)	2013/14 RESULT	2016 TARGET
1,353	1,267	1,100

The 6.4% decrease in deaths and serious injuries since June 2012 indicates that we are on track to reduce deaths and serious injuries to approximately 1,100 by June 2016.

THE LONG-TERM DECLINING TREND IN ROAD DEATH AND SERIOUS INJURIES SUGGESTS THAT WE ARE ON TRACK TO DELIVER ON OUR 2016 TARGET.

Number of deaths and serious injuries on open (80-100km/h) roads (12 months rolling)



MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Develop, with road safety partners, a new national direction and guidance on speeds that are right for the road, the vehicle and the environment



ACHIEVED

The Safer Speeds programme contains a framework to guide the sector on safe and appropriate speed ranges for different road types, taking road classification, design, safety risk and road use into account. The programme also has five actions intended to transform road safety. Each of the lead agencies has begun working on these and will continue into 2016 and beyond.

Develop a comprehensive, long-term communication and engagement programme to increase partner, stakeholder and public understanding of, and support for, safe speeds. This will have a strong education focus



ACHIEVED

We are developing a brief for an engagement and communications campaign to build sector and public support for safer speeds. This is one of the five transformational actions in the Safer Speeds programme.

In the last 12 months, this work has been widened to support the objectives of the broader Safer Speeds programme and reflect stakeholder views. As such, timing is behind the original schedule but the campaign is now well aligned to the Safer Speeds programme as a whole.

Develop a speed risk-management guide to inform speed interventions across all parts of the road safety system and link application of the guide to investment



ACHIEVED

Develop a speed risk-management guide to inform speed interventions across all parts of the road safety system. The guide will also be linked to investment.

2016 target



FEWER THAN

1,100

PRIORITY 5

EFFICIENT ROAD MAINTENANCE INVESTMENT AND DELIVERY

We are improving efficiencies by implementing the recommendations made by the Road Maintenance Task Force. These recommendations encourage collaboration with local government to get better cost efficiencies from road investments. The recommendations also encourage innovation in the way we manage local roads and state highways. We have saved \$198 million since July 2012 by implementing these recommendations.

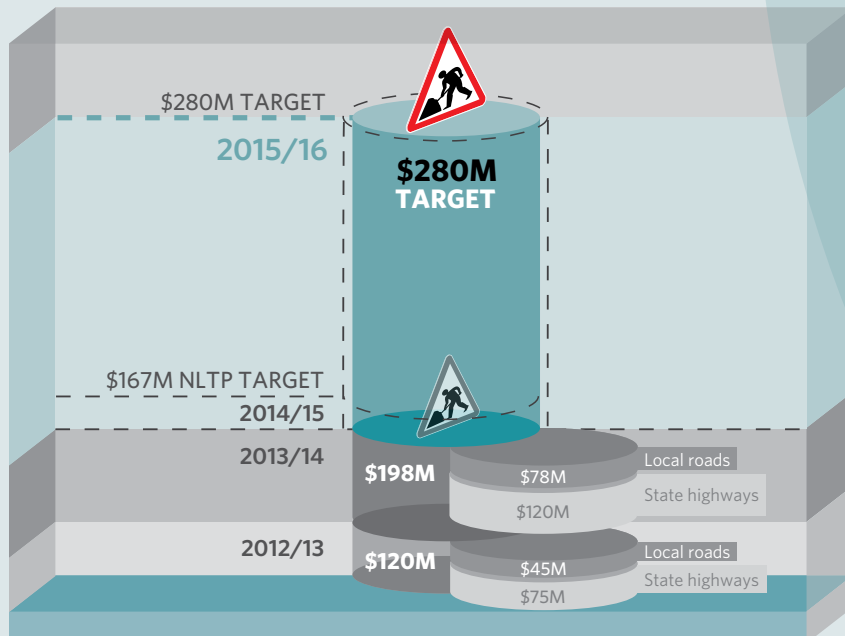
Success indicator

Programmed savings in maintenance and operations activity in 2012-15 NLTP

2012 BASELINE (EST)	2013/14 RESULT	2016 TARGET (REVISED)
\$0	\$198m	\$280m

At the end of 2013/14, programmed savings achieved in renewal, maintenance and operations activities stood at \$198m – just over 70% of the 2015/16 targeted cost savings. Of these cost savings, an estimated \$120m was achieved from state highway related activities, and the remainder came from renewals, maintenance and operation of local roads.

WE HAVE SAVED \$198M IN MAINTENANCE AND RENEWAL ACTIVITIES AS WE CHASE OUR AMBITIOUS 2016 SAVINGS TARGET OF \$280M.



MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Develop a 'one network' classification tool and determine associated levels of service

Align the understanding of the 'one network' classification system with road controlling authority (RCA) partners.

Use the system to align the investment process to achieve savings



Changes to the Road Assessment Maintenance Management (RAMM) system have been completed, allowing us to classify networks.

We are providing targeted support to approved organisations using self-assessment surveys. The partnership assessment tool reports and other regional knowledge are helping target the support.

We are aware that this is a stretch target for a number of approved organisations, particularly aligning their current network classification to the One Network Road Classification (ONRC).

Conversations with and between all RCAs and business cases for the four to five early adopters



Conversations with local authorities and collaboration opportunities continue to be identified and progressed.

There are five significant highways and local authority collaborations occurring (in Northland, Western Bay of Plenty, Eastern Bay of Plenty, Gisborne and Marlborough), which have various governance and service delivery agreements in place.

South Canterbury councils (Ashburton, Mackenzie, Timaru and Waimate) have now signed an MOU aimed at collectively improving asset management.

Dunedin and Waitaki are also in continued discussions around how to collectively improve their asset management and have identified a number of options.

Through this initiative, we have built much better relationships with local authorities and we are continuing to work together.

Differences in activity management plans (AMPs) identified and remedial measures explored



Review and analysis of existing AMPs has informed the development of an assessment framework and other guidance material that helps identify the differences between AMPs. This work has helped us give advice to approved organisations.

Asset management planning and procurement policy and guidance are aligned to promote value for money



The development of the draft State Highway Activity Management Plan (SHAMP) has progressed well. We are on track to have the programme ready for the Board to make decisions in August 2015, in line with the 2015-18 NLTP timeframe.

Streamlined procurement practices



With 7 out of 22 network outcome contracts now awarded, we have just reached our first 'hold point', to review the outcome of tenders to date, to confirm we are achieving the outcomes sought. We now have in place a set of supply market metrics for maintenance and operations that allow us to monitor the tender results and keep an eye on the market competition risks. In general, the hold point confirmed we are on track, tenders are competitive and the quality of suppliers' submissions, which are all influencing success.

The long-term programme of investment is clarified



We have finished developing an assessment methodology and framework to assess AMPs. These will contribute to developing the long-term programme of investment. The Road Efficiency Group's work has contributed to this, with the development of the ONRC system, which also defines customer service levels and performance measures.

PROGRESS ON OUR STRATEGIC DIRECTION - BY GOAL



We are working closely with our sector, local government and industry partners to better integrate land use with the transport networks, to deliver integrated transport networks - for all types of transport - that ensure strategic connections and broaden travel choices and to improve the efficiency of freight supply chains within and across transport options.

OBJECTIVE 1

Integrate land uses and transport networks to shape demand at national, regional and local levels

MILESTONES FOR 2013/14

Complete work with the Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Transport (MoT) on national and regional futures and scenarios, and their land transport demand implications

(Note: this is a shared milestone)



ACHIEVED

WHAT WE DID

Through the development of the 30-year National Land Transport Programme and the draft Government Policy Statement for Land Transport (GPS), we have worked with MoT to test transport demand implications for a range of different futures and scenarios. This work is helping MBIE to stay updated on transport trends and the impact on economic growth and productivity.

Transport futures and scenarios information and our *Statement of intent 2013-16* were provided to MBIE for their *Regional economic activity report*, which is now published.

Auckland Council (AC) and Auckland Transport (AT) ensure that cost-effective provision of infrastructure is recognised and facilitated by the Auckland Unitary Plan

(Note: this is a shared milestone)



ACHIEVED

We worked closely with other transport providers before making any submission on the proposed Auckland Unitary Plan. We supported the Ministry for the Environment to prepare the whole-of-government submission.

We have been able to influence the provisions of the proposed Auckland Unitary Plan, prior to notification, by engaging with Auckland Council and its council-controlled organisations (CCOs), which meant that key provisions will enable development of transport infrastructure.

The Transport Agency also made a formal submission in response to the proposed Auckland Unitary Plan on 28 February 2014 and is currently preparing further submissions.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

The Transport Agency works effectively with AC and AT on the planning of infrastructure for brownfield and greenfield development and special housing areas identified through the Auckland Housing Accord

(Note: this is a shared milestone)



ACHIEVED

We worked with AC and AT using the 'one network' approach to the greenfield land and special housing areas. We helped identify new greenfield land, to support the transport in greenfield areas (TIGA) workstream. We are supporting the rural urban boundary (RUB) work through our Unitary Plan submission and planning sub-regional work with AC and AT.

We worked collaboratively with AC and AT to ensure our key principles are incorporated in the selection of, and master planning for, special housing areas. We have also provided advice on the availability of funding for special housing areas.

The Transport Agency will work with CERA, ECan and CCC to ensure that cost-effective provision of infrastructure is recognised and facilitated by the Christchurch Land-Use Recovery Plan

(Note: this is a shared milestone)



ACHIEVED

Focus has now moved to assisting CCC's District Plan Review, to give effect to the Land-Use Recovery Plan.

We played a significant role in shaping the draft district plan to integrate planning for infrastructure and we have completed our work on the preparation of the draft district plan. The draft is awaiting ministerial direction before being publicly notified.

OBJECTIVE 2

Integrate national and local transport networks to support strategic connections and travel choice

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 2: Making the most of urban network capacity on page 46

Initiate investment conversations with AT for the 2015–18 NLTP, specifically for 'one network' transport planning, to ensure multiple transport options for the East-West corridor, the South-West airport rapid transit and the Auckland–Manukau Eastern Transport Initiative (AMETI)



ACHIEVED

We worked with AT to ensure they were aware of the 2015–18 NLTP timeframes and early investment signals.

There has been a high level of cross-organisational collaboration during the development of the next version of the Auckland Integrated Transport Programme, which will help deliver the Auckland Plan. Various workstreams are well underway, including:

- One Network Road Classification (see priority 5, page 52).
- Customer level of service implications on activity management plan development.
- Integrated transport programme profiling workshops.
- Development of performance measures and monitoring.

The business case for the East-West Link has led to changes in the AMETI.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 2: Making the most of urban network capacity on page 46

A national road classification is successfully completed

(Note: this is a shared milestone with local government)



ACHIEVED

See priority 5: Efficient road maintenance investment and delivery on page 52.

Integrated ticketing procurement process started in Wellington and the Auckland integrated fare system successfully implemented

(Note: these are a shared milestones with local government)



PARTIALLY ACHIEVED

The Auckland integrated ticketing scheme was implemented at the end of the third quarter. The scheme is operating successfully with normal continuous improvement processes. AT is now planning a fundamental fare review to improve fare structures, enabled by the integrated ticketing scheme.

Greater Wellington Regional Council (GWRC) is still at the early stages of planning its integrated ticketing requirements, which is the first step towards procurement. Internal resource constraints have meant slower progress than anticipated - as GWRC has simultaneously been managing a wide range of public transport matters, eg trolley bus fleet, public transport spine, network review and real-time information.

OBJECTIVE 3

Improve freight supply chain efficiency

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 3: Moving more freight on fewer trucks on page 48.

Upper North Island Freight Accord is agreed with representatives from across freight sector

(Note: this is a shared milestone)



IN PROGRESS,
BUT SOME DELAY
AGAINST
PROGRAMME

The Upper North Island Freight Accord is in draft, following an additional round of facilitated discussions. The draft accord builds on the work of the Upper North Island Freight Story - which sets out the critical barriers to achieving a safer and more efficient freight system.

The draft will be the focus of engagement with stakeholders during the first quarter of 2014/15 and we expect parties to sign up when they are comfortable to do so over this time. The draft will also help shape regional, intra-regional and national freight discussions.

South Island and central New Zealand freight stories completed

(Note: this is a shared milestone)



IN PROGRESS,
BUT SOME DELAY
AGAINST
PROGRAMME

The Central New Zealand Freight Story is in draft with an evidence base and key themes refined. Stakeholders will be consulted and the plan completed in the first quarter of 2014/15.

The South Island Freight Story has high-level themes identified with an evidence base completed. We will begin working with stakeholders in the second quarter of 2014/15.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 3: Moving more freight on fewer trucks on page 48.

National Freight Action Plan agreed with representatives from across the freight sector

(Note: this is a shared milestone)



The National Freight Action Plan was designed to address national questions arising from the three regional plans. This work has begun and will be progressed during 2014/15 as the national themes – such as regulation, workforce and safety – become clearer.

Long-term strategic freight network planning proposal developed for KiwiRail and the Transport Agency



The original milestone was overtaken by events during 2013/14. KiwiRail is refreshing its long-term business plan – called Rail 2045. As part of this work the Transport Agency is looking at the role rail plays in New Zealand's integrated transport system. Much of the work done so far on the rail network concept can be incorporated into this work. This includes looking at rail's potential future role in, and response to, the growing and evolving freight task (especially the commodities that make significant use of rail, like processed dairy products). This work will also examine industry feedback from our freight engagement processes and look at how changes to the rail freight task might impact the wider network.

GOAL

SHAPE SMART TRANSPORT CHOICES

We are working closely with our sector and local government partners to make the road transport system safer. We're doing this by implementing the Safe System approach, encouraging users to make smart travel choices and introducing better regulation that helps reduce the compliance costs faced by transport users.

OBJECTIVE 4

Implement the Safe System approach to create a forgiving land transport system that accommodates human error and vulnerability

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 4: Safe speeds to reduce deaths and serious injuries on page 50.

A signature project is successfully launched

(Note: this is a shared milestone with ACC, NZ Police and local government)



ACHIEVED

The national signature programme has been launched with a rural road safety signature project based in Eastern Bay of Plenty. The project took time to establish, which was expected given the challenging road safety and social issues in the area. Early lessons learnt from this have influenced the three other signature projects, which are all at various stages of development.

The signature programme now has four projects established:

- Rural road safety in Eastern Bay of Plenty.
- Future streets (active transport modes).
- High-risk young drivers in Auckland.
- Visiting drivers in the lower South Island.

Relevant Transport Agency staff and leaders trained in the Safe System approach



ACHIEVED

Over 1,000 people from across the sector have now been trained in the Safe System approach. The Safe System in Practice course has an established reputation for quality and relevance, with increasing numbers of private sector consultants enrolling. Demand for further delivery in 2014/15 is very strong, but this is dependent on establishing financial viability while keeping the course affordable.

Key Transport Agency manuals, processes and decision-making frameworks reviewed and changed to deliver a safe road system



ACHIEVED

Good progress has been made on embedding the Safe System approach across a range of manuals, processes and decision-making frameworks. The key outstanding area for focus in 2014/15 is the *Economic evaluation manual*.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

The remaining actions from the 2011/12 Safer Journeys Action Plan are completed.
(Note: this is a shared milestone with MoT, NZ Police, local government and ACC)

Implement revised road safety action planning approach



ACHIEVED

The regional leadership teams (RLTs) have ensured road safety issues are fully understood across regional business units using the new road safety leadership model, particularly in Auckland and Southern region.

RLTs also strategically support regional road safety work, in collaboration with regional partner agencies. Delivery is supported and measured through operational plans developed by regional road safety portfolio groups. These plans also identify where activities are best delivered nationally, with regional partners or by partners.

Complete Coromandel demonstration project and ready Maramarua demonstration project for construction



IN PROGRESS,
BUT SOME DELAY
AGAINST
PROGRAMME

Safer Rides Southern Coromandel project is in construction with some physical works now carried over into the 2014/15 financial year. This work is now forecast for completion by November 2014. The delay was caused by council consent conditions meaning some earthworks cannot start until September.

Maramarua demonstration project continues to progress to the revised programme timeframe, with the design component incorporated into the 2014/15 State Highway Plan.

The project is complex and over a long length of highway (17kms). Scoping work to determine the best and most economic solution for retrofitting barriers has been completed. We also scoped, and continue to investigate, ways to reduce the number of properties that access the highway using local road changes. While this has meant a delay against the original programme, it has provided clarity around our requirements for the project.

Complete and promulgate high-risk intersection guide



ACHIEVED

The *high-risk intersection guide* was completed. Social media was used to publicise the 100 most risky intersections.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

The remaining actions from the 2011/12 Safer Journeys Action Plan are completed.
(Note: this is a shared milestone with MoT, NZ Police, local government and ACC)

Complete motorcycle licence changes, introduce maximum time licence limits and child restraint age extension



ACHIEVED

Child restraints – The child restraints law is now fully implemented. A publicity campaign was completed in the second quarter. It informed parents, caregivers, schools and other groups about the changes to the laws around transporting children. The campaign was well received.

Competency-based training and assessment (CBTA)

– Implementation of the CBTA project is complete and courses have been introduced as an alternative option for people getting their restricted and full motorcycle licence. Course providers were certified as assessors across the country from December 2013 and courses were available from 1 March 2014. In the first three months, 21% of customers presented a CBTA course certificate when testing for a restricted or full motorcycle licence.

Time limits on driver licences – The time limits business case was approved and implementation phase started. Go-live is on track for November 2014.

OBJECTIVE 5

Incentivise and shape safe and efficient travel choices using a customer-focused approach

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Immediate travel time and user information improvement projects are being successfully implemented

(Note: this is a shared milestone with local government)



NOT ACHIEVED

The intelligent transport system (ITS) framework and roadmap has been published internally and presented at the ITS Conference, as planned.

We have done a lot of work on traveller information this year, getting the transport operating centres set up, operational in Christchurch and Wellington (CTOC/ WTOC) and aligned nationally, plus the establishment of journey managers across the country.



We deferred further work on this initiative until 2014/15.

Options to encourage less-safe vehicles to exit from the fleet are developed, considered and the action plan agreed




ACHIEVED

Advice on ways to accelerate the exit of less-safe vehicles from the fleet was provided to the Associate Minister of Transport in December 2013. Subsequent cost-benefit analysis found that the market is working effectively to exit less-safe vehicles and significant government intervention would not be efficient in terms of a national cost-benefit. The project has shifted its focus to ways to give consumers information that support the market-led exit of less-safe vehicles. Key stakeholders have taken part in this work and provided positive feedback.

MILESTONES FOR 2013/14	OUR RESULTS	WHAT WE DID
<p>The effectiveness of alcohol interlocks is reviewed and recommendations made for their future use</p> <p><i>(Note: this is a shared milestone with MoT)</i></p>	 ACHIEVED	<p>There has not been sufficient evidence to undertake a review, as courts have imposed very few alcohol interlock licence penalties. As of 31 May 2014, only 207 people held alcohol interlock licences.</p> <p>The effectiveness review has been moved within the 'Impairment: review of sanctions for drink-driving' project to be delivered in July 2015.</p>
<p>The '100 highest-risk intersection' programme for state highways and local roads is launched and progressed</p>	 ACHIEVED	<p>The 'top 100' high-risk intersections were identified and publicised through the media.</p> <p>Work to improve a number of these intersections has been included in the 2015-18 NLTP submission.</p> <p>Improvements have been completed at six of the 41 state highway intersections included in the 'top 100' high-risk intersections. Improvements include upgrading of a signalised intersection, the installation of a temporary roundabout and four experimental rural intersection active warning signs.</p>

OBJECTIVE 6

Reduce costs for transport users through better regulation and willing compliance

MILESTONES FOR 2013/14	OUR RESULTS	WHAT WE DID
<p>The vehicle licensing reform (VLR) changes are successfully implemented</p>	 ACHIEVED	<p>Changes successfully progressed include:</p> <ul style="list-style-type: none"> ▪ We implemented the new WoF frequency for all vehicles registered since 1 January 2000. ▪ We implemented variable frequency for CoFs, which came into effect on 1 July 2014. ▪ We developed a service delivery model for CoFs, which is scheduled for implementation on 1 December 2014. ▪ We consulted with the public on administration fees in February 2014. They are scheduled to come into effect in November 2014.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

The 2013/14 Rules Programme is delivered to agreed time, cost and quality standards



The following items in the 2013/14 Rules Programme have been delivered within the projected timeframes:

- The Vehicle Standards Compliance Amendment Rule was signed in August 2013.
- The Omnibus Amendment Rules 2013 were signed in November 2013.
- Light-Vehicle Brakes Amendment Rule was signed in June 2014.

Timeframes for the following items were delayed by or in consultation with MoT:

- Vehicle Dimensions and Mass Amendment Rule (submitted to MoT in June 2014 for signing).
- Driver Licensing Rule amendment deferred until July 2014.

Our 'world-class regulator' business plan is successfully completed and the structures and resources set in place and committed to ensure successful realisation






Good progress has been made in year 1 of implementation of the 'world-class regulator' business plan. In four of the five performance areas, we have achieved a lift in performance with results in the remaining area still to come in, but looking positive. Our ambitious business change programme was achieved, but some planned items on our continuous improvement programme were re-sequenced or deferred.

GOAL

DELIVER HIGHWAY SOLUTIONS FOR CUSTOMERS

We are making good progress on providing highway solutions by ensuring that the delivery of the roads of national significance (RoNS) remains on track, by growing our capability to address resilience issues on the state highway network and by improving our ability to provide consistent levels of customer service to address changing levels of demand through the adoption of the State Highway Activity Management Plan (SHAMP).

OBJECTIVE 7**Greater resilience of the state highway network**

MILESTONES FOR 2013/14	OUR RESULTS	WHAT WE DID
Operational network resilience policy adopted	 ACHIEVED	<p>The operational network resilience policy has been adopted.</p> <p>We have developed a National Resilience Programme business case (Resilience PBC), which identifies resilience issues on the state highway network, based on our 'one network' approach, and recommends a national programme of prioritised activities.</p> <p>We have developed a programme of activities that will result in a state highway network that is more resilient over time. This programme will be in the planning phase for the next three years; implementation is further down the track.</p> <p>The programme business case is being included with the SHAMP activities to be submitted for the next NLTP.</p>
Business case for national interventions for natural disasters on the state highway network is completed	 ACHIEVED	<p>The business case is complete and is on track to be reflected in the SHAMP.</p>
The review of our Investment and Revenue Strategy incorporates the new operating frameworks around network resilience	 ACHIEVED	<p>Network resilience will be included in the draft 2015-18 investment assessment framework that, once finalised, is expected to give effect to the GPS 2015. The GPS is expected to be finalised late in the 2014 calendar year.</p>

OBJECTIVE 8

Deliver consistent levels of customer service that meet current expectations and anticipate future demand

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 4: Safe speeds reduce deaths and serious injuries on page 50.

Refer to priority 5: Efficient road maintenance investment and delivery on page 52.

The SHAMP reflects agreed differentiated levels of service and realises the targeted cost efficiencies



ACHIEVED

The development of the SHAMP has progressed well. We are on track to have the programmes ready for the Board decision in August, which is in line with the NLTP timeframe.

The first phase of the 'single supplier' delivery model for asset management is successfully implemented and the supporting internal restructuring



ACHIEVED

The first phase of the single supplier delivery model was successfully implemented.

The roll out of the programme remains on track.

OBJECTIVE 9

Plan for and deliver the roads of national significance (RoNS)

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Pūhoi to Wellsford

Pūhoi to Warkworth development



ON SCHEDULE

A significant project milestone was achieved in the first quarter with the lodgement of the documentation and consents for the Pūhoi to Warkworth section of the new highway.

The subsequent Board of Inquiry (BOI) hearing took place between 7 April and 5 June 2014.

A draft decision has now been released by the Environment Protection Authority's (EPA's) BOI to grant consents to construct the first section of the Pūhoi to Warkworth section of the Ara Tūhono Pūhoi to Wellsford RoNS.

A business case is being developed to explore the potential of a Public Private Partnership (PPP).

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Western Ring Route

is under construction including Waterview and Causeway



ON SCHEDULE

All sections of the Western Ring Route continue to progress well without any significant delays to their target completion date.

The Great North Road interchange and SH16 Causeway have met planned milestones for the year. The interchange has one ramp, which was completed in the fourth quarter and another underway, which is slightly ahead of planned progress.

The next key date is the tunnel boring machine breakthrough at the northern end, planned for late September 2014. Achieving this significant target requires the coordination of a number of critical activities, including the completion of the northern approach trench.

Waikato Expressway

Under construction: Rangiriri and Cambridge

Ngāruawāhia open



ON SCHEDULE

Good progress has been made through this financial year. More than half the entire Waikato Expressway is now either under construction or completed.

Ngāruawāhia section - This section was completed on time and on budget. It was opened by the Minister in December 2013, followed by a public walkover.

Cambridge section - In the first quarter, construction on this 16km section started and good progress has been made. The Cambridge Visitor Centre at the site office on Victoria Road was officially opened to the public in November 2013, with hundreds of visitors attending over the first two days.

Rangiriri section - Construction progress is good. Ground improvements and the bridge piling programme are on track.

The programme is proceeding to plan and we expect to deliver all sections of the Waikato Expressway by 2019/20 within forecast expenditure.

Tauranga Eastern Link (TEL)

Under construction



ON SCHEDULE

The construction of the TEL has progressed smoothly through 2013/14 and is running ahead of the original expected completion date.

A number of sections of the road are open to traffic and are operating well.

The full length of the TEL is expected to be complete and open to traffic by the end of 2015, rather than 2016.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Wellington Northern Corridor

Under construction: MacKays to Peka Peka

Transmission Gully enabling and procurement

In design:
Basin Reserve improvements

Peka Peka to Ōtaki



ON SCHEDULE,
HOWEVER
BASIN RESERVE
CONSENT
DECLINED

Three of the eight sections of the Wellington Northern Corridor are now in construction.

MacKays to Peka Peka - Construction is progressing to plan. A new public information centre was opened by the Associate Transport Minister in June.

The **Tunnel to Tunnel** section is progressing well. The Memorial Park tunnel is now enclosed and the project is on schedule for opening in April 2015.

Construction of **Transmission Gully** is planned to start in 2014/15.

Resource consent for the **Basin Reserve Bridge** project has been declined by the Board of Inquiry.

Christchurch Motorways**Western Corridor**

Under construction:

Harewood Road to Yaldhurst Road four-laning

Sawyers Arms to Wairakei (Harewood) Road four-laning

In design:

Groynes to Sawyers Arms four-laning

Western Belfast Bypass

Christchurch Southern Motorway

Stage 2 in design



ON SCHEDULE

The remaining six sections of the Christchurch Motorways project are progressing well and in line with the current programme.

Some sections are now open to traffic. Much of the Sawyers Arms to Harewood section route is open to traffic. On the Waterloo to Yaldhurst section, traffic between Buchanans and Yaldhurst is now running on the newly constructed western carriageway.

Western Corridor - Work continues on the investigation of a lower cost route option for the Western Belfast Bypass. We are working towards a construction start in late 2014 or early 2015.

Southern Corridor - Design is progressing well for the Christchurch Southern Motorway Stage 2. The Environmental Protection Authority's Board of Inquiry approved the application for the notice of requirement and resource consents in November. We are planning on tendering the construction phase in mid-2015/16.

GOAL

**MAXIMISE RETURNS
FOR NEW ZEALAND**

We are working closely with our sector and local government partners to make sure that investment is aligned to agreed national, regional and local outcomes, and to deliver cost-effective 'one network' transport solutions that take into account innovative revenue, pricing and financing approaches that can enhance the value delivered by land transport investments.

OBJECTIVE 10

Align investment to agreed national, regional and local outcomes, and improve value for money in all we invest in and deliver

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 5: Efficient road maintenance investment and delivery on page 52.

Adjust 2012-15 NLTF investment to match revenue to deliver maximum returns



ACHIEVED

The NLTF Cash-Flow Advisory Group monitored NLTF revenue and expenditure and how the NLTF short-term borrowing facilities were used. The group recommended deferring the drawdown of the TEL tolling debt until 2014/15, to make better use of the available funding in 2013/14. The group also decided not to draw down any of the \$100 million temporary debt facility for the July 2014 claims spike.

Some progress has been made by MoT to revise the conditions around the short-term borrowing facilities.

Overall performance in matching expenditure to available revenue is reasonable. Expenditure by local authorities is down on plan.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 5: Efficient road maintenance investment and delivery on page 52.

Deliver Stronger Christchurch Infrastructure Rebuild Team (SCIRT) value and report

(Note: shared milestone with CERA and CCC)



SCIRT has delivered a draft value report to the Horizontal Infrastructure Governance Group (HIGG) for consideration. HIGG is developing a response to the SCIRT draft with a view to having a whole-of-rebuild-programme monitoring report, including a measure of the value of SCIRT, completed by the end of the first quarter of 2014/15.

The unit rates report, which is a review of SCIRT productivity, has been received by HIGG and the Office of the Auditor-General briefed on the findings. HIGG has commissioned an independent review of the findings – due in the first quarter of 2014/15.

Complete the prioritised 2013/14 Canterbury rebuild work programme on time and within budget

(Note: shared milestone with CERA, SCIRT and CCC)



The work programme for the year has achieved 90% of the target set for the SCIRT alliance and 60% of the CCC delivered programme. Due to the difficulties in optimising the rebuild programme and a number of issues with residential red-zone land there has been a sub-optimal delivery of planned works.

The fourth quarter work programme is under review in tandem with whole-of-programme capital optimisation works. The audit programme is on track. CERA has commissioned an independent review of the audit programme, which hasn't been presented to HIGG yet. HIGG has implemented a new management structure (the Horizontal Infrastructure Management Team – HIMT), which includes a resource dedicated to monitoring and performance. HIMT has been working with the three clients and SCIRT to complete a full review of all audit workstreams and is providing guidance to HIGG on the future direction and focus of the audit programme as it awaits the independent review report.

Optimisation is now finalised. Although developing the work programme has been challenging, targets are now set for the remainder of the work programme and we are confident they will be met.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Refer to priority 5: Efficient road maintenance investment and delivery on page 52.

Contribute to the completion of the second version of the Auckland Integrated Transport Programme (ITP)



ACHIEVED

Development of AT's ITP 2015 has progressed (with our support and guidance) to the point it can set the strategic context for the next regional land transport programmes and long-term plans.

Adoption of the better business case approach, the development of an investment logic map, and the creation of a transparent transport and investment calculator have all been delivered. This work underpins a prioritised programme, enabling the link between the ITP strategic framework and the Transport Agency's Investment and Revenue Strategy and the programme to deliver more, with less capital investment than previously identified.

We provide effective support to the development of the 2015-18 GPS, drawing on lessons learnt from the 2012-15 NLTP development and delivery



ACHIEVED

During the year, we have engaged with MoT to provide data and analysis to support the development of the GPS. As at year-end, a draft GPS had been released for public consultation with a closing date for submissions of 11 August 2014.

OBJECTIVE 11

Ensure effective and efficient co-investment with our partners

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Complete the review of the funding assistance rate (FAR) system



ACHIEVED

The Board has made initial decisions around the FAR approach. The Board has extended the timeline to complete the review to address further matters, eg updating model inputs and special purpose roads (SPR). These remaining matters will be reported back to the Board in October.

Regional teams have explained the FAR framework and the Board's decisions to approved organisations (AOs), as appropriate.

The Transport Agency is working with AOs to determine transitional arrangements for SPRs.

MILESTONES FOR 2013/14

OUR RESULTS

WHAT WE DID

Ongoing implementation of the planning and investing for outcomes approach via an integrated focused programme of work



ACHIEVED

Identified and documented key national and regional network issues

Improved critical tools, processes and systems, including (but not limited to) assessment framework, business case approach, benefits realisation model, shared evidence base and review of the *Economic evaluation manual*

The second set of planning and investment signals were successfully released in May. The Journey Approach and broader signals were presented to the Waikato/ Bay of Plenty joint RTC meeting in June. Signals were delivered to advisory groups all over the country. Regional council staff form part of our internal National Land Transport Programme (NLTP) project team with Transport Agency staff embedded in influential roles in project governance for both regional land transport programmes.

The draft outcomes modelling tool is complete and testing is underway.

Implementation of the Public Transport Operating Model (PTOM) is progressing to plan in major urban areas as networks are reviewed and new contracts established with service operators



ACHIEVED

(Note: this is a shared milestone with local government)


The complexity of the PTOM implementation became very clear during the 2013/14 year. The three metros and provincial towns and cities have all been reviewing and redesigning their networks and public transport services to ensure they meet regional needs. Similarly, they have been renewing their procurement approaches to include PTOM partnering requirements.

We have established strong working relationships with AT, ECan and GWRC.

AT has completed the details of its new procurement approach and will be going out for its first competitive bus tenders in the first half of the 2014/15 year.

ECan will be ready to tender and negotiate new bus operator partnering contracts in 2015. Both AT and GWRC are looking to enable competition in the market by ensuring opportunities for operators to consider both rail and bus opportunities, which affect the timing of bus contract tenders in Wellington.

OBJECTIVE 12
Explore innovative revenue, pricing and financing approaches that enhance the value delivered by land transport investments

MILESTONES FOR 2013/14	OUR RESULTS	WHAT WE DID
Develop and assess procurement of Transmission Gully as a PPP	 ACHIEVED	Media following the announcement of the signing of the contract has been very positive . Planning is underway for construction to begin within the next few months, which will include enabling works such as site office establishment, site access and fencing.
Assess business case for procurement of Pūhoi to Wellsford (P2W) as a PPP	 ACHIEVED	The procurement strategy is complete, but we have delayed other aspects of P2W so we can incorporate the learnings from Transmission Gully.

ORGANISATIONAL CAPABILITY AND HEALTH

In order to deliver our desired targets and results effectively and efficiently, we continue to invest in our organisational capacity, capability and external relationships. At the same time we apply the highest standards to our decision-making and behaviour. We are moving towards greater agility as we build our organisational capability.



Harnessing all our available knowledge to help deliver transport solutions

As we improve our systems to make data and information readily accessible in a user friendly format, we anticipate an increase in staff and stakeholder satisfaction as it gets easier for them to find the information they need. Investment in our capability to store and manage data and information will increase our capability to make smarter, more aligned decisions promptly. This will increase the confidence of our customers, colleagues and stakeholders in the reliability and accuracy of the data and information we provide.

INDICATOR	2013	2014	DESIRED TREND
Stakeholders satisfied with the manner in which the Transport Agency makes decisions <i>(Stakeholder perception survey)</i>	48%	48%	Increase
Internal staff perception survey on the accuracy and accessibility of our information <i>(Customer satisfaction survey of organisational support)</i>	NA	56.2%	Increase

DESIRED RESULT BY 2016

OUR RESULTS

WHAT WE DID

Develop the skills to extract value from information through completing our information management strategy initiatives and embedding the people skills and expertise to leverage our knowledge through our people strategy



Part of the work to harness our knowledge means replacing our information/knowledge system, because the previous system was assessed as not able to meet our business needs. During the year we scoped and understood the information requirements of the Transport Agency and went to market to select a better solution. The new system will be implemented during 2015.

We have also focused on increasing our people capability and technology to make it easier to find and use information. The work on developing the skills of our people to manage information is complete, with the majority of the organisation attending information management training. We have also increased business intelligence capability. We have agreed a data quality and stewardship framework with the business.

Projects to make it easier for us and our customers to harness our knowledge have advanced well, with the implementation of a better search engine, implementation of a common analytics and reporting tool, embedding our geospatial capability, investing in our financial management system and substantial progress on the redesign of our nzta.govt.nz website.

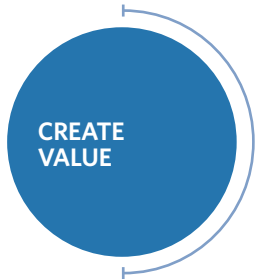
Actively develop asset management strategy, roadmap and solutions, support enterprise solutions, implement the prioritised projects and complete business continuity



We have developed a strategic business case for transforming asset management and are currently on target to complete the programme business case by the end of 2014. The current phase is a wide ranging analysis of options, where we are assessing technical fit, effort and risk to achieve our strategic objectives.

As part of the work to support enterprise solutions, we have signed a contract for our SAP enterprise resource planning and customer relationship management platforms. Work is now focused on migrating roles and responsibilities to business as usual.


Delivery of the Transport Agency's prioritised projects (the 'change initiative list') is progressing to plan. Work on business continuity (business capability and process resilience) progressed and is on track for delivery by the end of 2014, as part of the first phase of key business services.



Collaborate across the sector and with customers to create additional value

High-quality stakeholder relationships help us work with the wider transport sector to generate joint transport solutions for a thriving New Zealand. Understanding our customers' needs and drivers will ensure we deliver the appropriate services to meet these needs, which should in turn increase customer satisfaction with our services.

INDICATOR	2012	2013	2014	DESIRED TREND
Quality of stakeholder relationship (Stakeholder perception survey)	56%	65%	71%	Increase
Customer service satisfaction (Reputation research)	NA	NA	71%	Increase

DESIRED RESULT BY 2016	OUR RESULTS	WHAT WE DID
An increase in engagement with partners to achieve joint outcomes, as measured by the stakeholders survey	 IMPROVEMENT	<p>There has been an increase in engagement with partners to achieve joint outcomes as measured by the stakeholder perception survey.</p> <p>Strong relationships within our sector are essential to delivering transport solutions for a thriving New Zealand. So much of our work happens in partnership or collaboration with others and the strength of our relationships has a direct influence on how efficiently and effectively we achieve our goals and priorities.</p> <p>Over the past year, we strengthened our relationships through greater collaboration in the work we do. Our 2014 survey of stakeholder perceptions showed that we continue to make progress but there is still room for improvement.</p> <p>Our stakeholders are increasingly satisfied with their current relationship with us – 72% of respondents told us they were satisfied or very satisfied, up significantly from 60% in 2013, and 50% in 2012. Many say they have 'quite a lot or full' trust and confidence in us, 59%, up from 48% in 2012.</p> <p>A range of projects and initiatives that we've embarked on in the past year demonstrate our commitment to engaging to achieve partnership outcomes throughout the sector.</p> <p>Significant steps have been taken to improve our Māori engagement practice in the development of the 2015-18 NLTP. A set of guidelines have been developed for relationship managers to use when engaging with Māori across the country in the NLTP's development, and staff are aware of their obligations to ensure Māori are well engaged throughout the process.</p>

DESIRED RESULT BY 2016	OUR RESULTS	WHAT WE DID
An increase in engagement with partners to achieve joint outcomes, as measured by the stakeholders survey (cont.)	 IMPROVEMENT	<p>The Transport Agency's groups have:</p> <ul style="list-style-type: none"> • seen an increase in the levels of trust and confidence from stakeholders • engaged successfully throughout the funding assistance rates (FAR) review by being open, transparent and available with their engagement • implemented a range of significant collaborative relationships where the partnership outcomes are being realised • relied on engagement with priority stakeholders to build a business strategy and implement a new relationship management model.
Achieve an increased focus on health, safety, wellbeing and best practice in the workplace	 SIGNIFICANT IMPROVEMENT	<p>We have focused on building awareness of health, safety and wellbeing and best practice in the workplace. This included the appointment of a Health and Safety Manager and the development of the Transport Agency Zero Harm Strategy 2014-2020.</p> <p>The Transport Agency received tertiary (highest) accreditation from the ACC Work Safety Management Practices (WSMP) audit in October. This was recognition that our occupational health and safety systems are robust.</p> <p>Our Health and Safety Manager is working with the CE's Health & Safety Leadership Committee to lead best practice health and safety behaviour across the Transport Agency.</p> <p>The Board approved the Zero Harm Strategy 2014-2020, which ensures that the Transport Agency meets the changing expectations and requirements arising from the health and safety law changes. The strategy will allow us to demonstrate the leadership needed, given the nature of our role in the industry.</p>
Complete the four transport sector shared services projects	 PARTIALLY ACHIEVED	<p>The Transport Sector Collaboration and Capability Strategy now provides a foundation for the four original functions/ projects that came under the Transport Sector Shared Services programme.</p> <p>Although the projects are not complete, significant progress has been made with key milestones being achieved and, more significantly, in creating a culture of collaboration across the transport sector. This culture is catching on - due to the positive outcomes seen - information communication technology, information management and finance have joined the programme with the four original functions.</p>

DESIRED RESULT BY 2016

Complete the four transport sector shared services projects (cont.)

OUR RESULTS



PARTIALLY
ACHIEVED

WHAT WE DID

Some key achievements to date are:

Risk assurance – Development of the Risk Assurance Centre of Excellence at the Transport Agency providing services to the transport sector.

Ministerial services – Creation of the Transport Sector Official Correspondence Team, ensuring the quality of the correspondence for the Minister and implementation of one tracking system for all agencies to use for ministerial correspondence.

Communications – Development of the transport sector communications shared workspace and the transport sector communications capability and specialists list.

People and capability – Implementation of the MoT and Maritime NZ shared payroll resource supported and trained by the Transport Agency.

Finance – Successful pilot of the automated invoice processing (AIP) service centre, allowing the Transport Agency to provide AIP services to Maritime NZ.

While the projects that originally started this programme are not finished, the review of the programme and strategy has developed a positive way forward and all functions will have clearly defined work plans and deliverables approved by the Transport Sector Collaboration and Capability Governance Group by September.

Embed the principles and capability development aims for 'creating value with others' in our leadership development and workforce planning



IMPROVEMENT

The Transport Agency's People Plan 2014-16 focuses on four key themes – organisational reputation, culture, engagement, and skills and capabilities. The plan is ambitious about what we will look like in 2016, including increasing the Transport Agency's market visibility, attractiveness to candidates and world-class employee engagement results.

To support the successful delivery of the People Plan, a new operating model and structure was successfully implemented in the People and Capability team. All changes have now been completed and new roles filled and the new operating model is currently being embedded.

The first People Plan initiatives have been well supported, they include performance and development plan, and remuneration workshops for people leaders and the monthly People Leader Audio.



Commit to continuous improvement and innovation

Highly engaged staff are more likely to be open to new ways of doing things and to look for ways to improve on what they are already doing. By investing in specialist resources to support proactive innovation and leveraging off the skills we already have, we can grow our innovation capability and great ideas can be captured, tested and developed for dissemination across the whole organisation or sector.

INDICATOR	2012	2013	2014	DESIRED TREND
Staff engagement survey (Gallup engagement survey)	3.82	3.92	3.96	Increase 4.33
% of organisational resources allocated to innovation and continuous improvement	An innovation fund is in place for the 2015/16 financial year			

DESIRED RESULT BY 2016	OUR RESULTS	WHAT WE DID
Increase in staff commitment to quality work and opportunities to learn and grow, as measured by the Gallup staff engagement survey		<p>There was a modest improvement in the Transport Agency's employee engagement results in 2014 from a Gallup score of 3.92 to 3.96, continuing the upward trend that we have seen over the last five years. We held our position in comparison to the New Zealand state sector at the 61st percentile; although we are in the 41st percentile when compared with global best practice - we still have a way to go.</p> <p>Our people's commitment to quality work increased slightly from 4.02 to 4.06, while opportunities to learn and grow remained unchanged at 4.06 (52nd and 57th percentile respectively compared to the NZ state sector).</p>
Develop a people strategy that supports capability growth around innovation and continuous improvement		<p>The Transport Agency People Plan 2014-16 was developed and launched, with the first initiatives starting to be rolled out.</p> <p>The People Plan provides a clear vision for initiatives that support capability growth around innovation and continuous improvement.</p>
Further build awareness and robust process around information security and privacy		<p>Privacy awareness training has been delivered nationwide.</p> <p>Information security awareness and education has also been provided in the last six months after the security policies were signed off late last year.</p> <p>The security programme is progressing to plan, including delivery of a capability report to the Government Chief Information Officer and ongoing implementation of changes to align with our policies.</p>

DESIRED RESULT BY 2016

Driving performance excellence by embedding Transport Agency business planning, including the Ten-Year Work Programme (TYWP)

OUR RESULTS



WHAT WE DID

The *Statement of intent 2014-18* uses the TYWP to outline the three-yearly milestones in advancing the Transport Agency's goals and priorities. Business planning now includes a process to oversee the timing and sequencing of projects, and supports development of quarterly milestones to enable performance monitoring, which flows down into our people's performance development plans.

Develop a robust and fit for purpose business continuity planning (BCP) framework



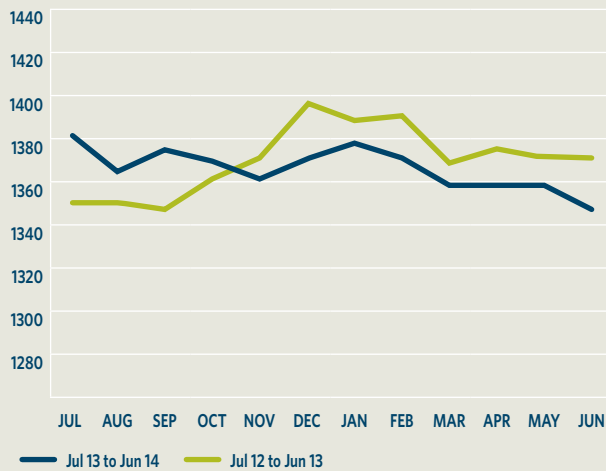
The business continuity framework has been developed and is in place and the business impact analysis is complete.

Each office has an emergency readiness, response and recovery plan in place.

Disaster recovery (DR) remains a work in progress and is the focus of the next phase of our readiness work.

KEY PEOPLE METRICS

FULL-TIME EQUIVALENT (FTE) EMPLOYEES



The Transport Agency's FTE count at the 30 June 2014 was 1,344.

ETHNIC PROFILE

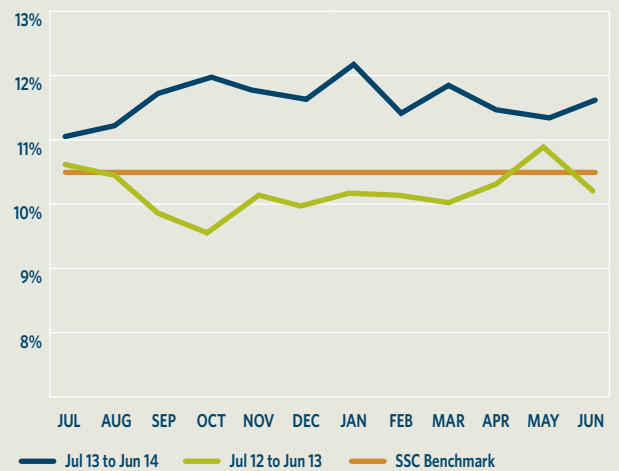
Ethnic groups (self-identified)

Asian	7.3%
Māori	5.1%
Middle Eastern/African/Latin American	0.6%
Not stated	14.0%
NZ European	54.0%
Other ethnicity	1.7%
Other European	15.9%
Pacific peoples	1.4%

AGE PROFILE

The average age of our employees (at 30 June 2014) is 44.5 years, with 13.2% under 30 years and 21.3% over 55 years. Our average is similar to that of the public sector as a whole.

ANNUAL TURNOVER



The Transport Agency's unplanned turnover at the end of June 2014 was approximately 11.7%, which is higher than 12 months ago, when it was 10.2%.

Core unplanned turnover of those with less than two years' service to the end of June 2014 is approximately 14.8%, which is similar to that recorded 12 months ago.

GENDER PROFILE

The Transport Agency has a **49:51 male/female** staff ratio, compared to the public sector ratio of 40:60. Of our senior management roles (tiers 1-3), 35% are filled by females. The average female representation in senior management within the public service was 41.5% in June 2013.

DISABILITY

Our workforce profile does not include disabilities as this information is not currently recorded; however, we are committed to valuing the diversity of our people.

We recognise, respect and value differences and do not discriminate. This includes making reasonable accommodation for those with disabilities.

EQUAL EMPLOYMENT OPPORTUNITIES STATEMENT

The Transport Agency promotes equal employment opportunities (EEO) to ensure that our people policies and practices are in line with our obligations as a good employer.

The Transport Agency People Plan 2014-16 provides direction for our people practices and focuses on supporting our people to be high performing. The four key themes of the plan are organisational reputation, culture, engagement, and skills and capability.

The following table demonstrates the alignment between our key people policies and practices and the seven elements of being a good employer.

GOOD EMPLOYER ELEMENTS	OUR KEY PEOPLE POLICIES
Leadership, accountability and culture	<ul style="list-style-type: none"> We have created a 'people leader' community for our 300 people leaders, focusing on positive leadership for our people, motivating everyone at the Transport Agency to perform at their best. This is being achieved through monthly meetings, an annual people leader conference for all people leaders and regional people leader conferences throughout the year. The way we lead provides clear expectations for people leaders and drives our leadership development programmes. We hold people accountable through robust performance and development planning. Strong behavioural expectations are provided by our three behaviours: sign up, team up and front up. We involve our people and their unions at the front end to manage change programmes, develop policies and to continuously improve our practices as a good employer.
Recruitment, induction and selection	<ul style="list-style-type: none"> We have robust recruitment and selection processes. Videos and profiles on our career website and collateral feature employees from diverse backgrounds. We are an accredited employer with the New Zealand Immigration Service. Progression within the Transport Agency is based on merit rather than service, and is built around competencies and skills. All new people attend the organisation-wide introduction to the Transport Agency.
Employee development, promotion and exit	<ul style="list-style-type: none"> We have a culture of development at all levels. Development opportunities include project work, acting in other roles, secondment, mentoring and coaching, as well as formal learning programmes offered via our development calendar. An ongoing process of feedback and two-way communication is encouraged. Capability mapping, talent management, succession planning and progression frameworks are in place. We are an accredited IPENZ professional development partner. We have a LinkedIn alumni network for current and former staff.

GOOD EMPLOYER ELEMENTS

OUR KEY PEOPLE POLICIES

Flexibility and work design	<ul style="list-style-type: none"> ▪ We promote balanced work-life responsibilities, through flexible working, including taking opportunities to support the community. ▪ Our people can request changes to their working arrangements, including job sharing, compressed weeks, working from home and leave during school holidays. ▪ We encourage people to take annual leave in the year it is accrued and manage their hours to maintain wellbeing.
Remuneration, recognition and conditions	<ul style="list-style-type: none"> ▪ Our policies and frameworks are similar to many organisations in New Zealand in that they are based on the principle that pay will reflect the market and performance – not tenure, cost-of-living or other personal circumstances. ▪ We conduct an annual remuneration review process, including comparing our remuneration ranges to public sector and other organisations' market data. ▪ Our job evaluation and remuneration practices are transparent, equitable and gender-neutral. ▪ Recognition is encouraged using a variety of ways, including celebrating success, recognising people at team meetings and resources, such as thank you cards that reflect examples of our three behaviours.
Harassment and bullying prevention	<ul style="list-style-type: none"> ▪ We are committed to maintaining a safe working environment for all our people where we experience mutual respect, trust, dignity and security. ▪ We have worked collaboratively with unions to better understand harassment and provide tools to support people working through issues.
Safe and healthy environment	<ul style="list-style-type: none"> ▪ Our Zero Harm Strategy supports our belief that everyone who comes to work at the Transport Agency should go home healthy and safe. ▪ The code of conduct and relevant health and safety and harassment policies are readily accessible. ▪ Our strong focus on employee health, safety and wellbeing is supported through the provision of support services, such as: <ul style="list-style-type: none"> – employee assistance programme (EAP) for all staff – additional services in the event of heightened stress, such as critical event debrief, onsite EAP presence, change process support and resilience training – ergonomic workstation assessments – annual free flu vaccination available for all our people. ▪ We have tertiary ACC accreditation for our workplace safety management practices.

ENSURING HEALTH AND SAFETY FOR OUR PEOPLE

We believe that everyone who comes to work for the Transport Agency should go home healthy and safe and we should be a leader and key influencer for zero harm in the workplace.

The tragic events of Pike River on 19 November 2010 will forever change the way we, as a nation, approach and manage health and safety. To help achieve this change, new workplace health and safety legislation is being developed, which is due to be implemented in April 2015.

At the Transport Agency, we are committed to achieving a safe and healthy working environment for all our people and visitors. To achieve this, and meet the upcoming law changes, we adopted a new zero harm policy in December 2013 and have developed our Zero Harm Strategy 2014-2020. Together they will help change the way we approach workplace health and safety at the Transport Agency.

The zero harm policy sets out our commitments, how we will meet them and our responsibilities. We are committed to:

- ensuring all our people go home healthy and safe
- creating zero harm workplaces
- leading workplace health and safety performance with our suppliers and through regulatory actions
- each of us taking responsibility to keep ourselves safe and stop unsafe acts if we see them.

Our objective is to ensure we complete our services to our customers without sustaining any fatal or lost time injuries for our people, including our contractors.

Our Zero Harm Strategy 2014-2020 has a clear objective:

'By 2020 or sooner all our people, regardless of employer will go home safe and healthy, every day, no exceptions.'

The strategy provides a systematic, risk-based approach to health and safety delivering consistent outcomes across the Transport Agency. The initial priority is to focus on the high-risk areas of the organisation.

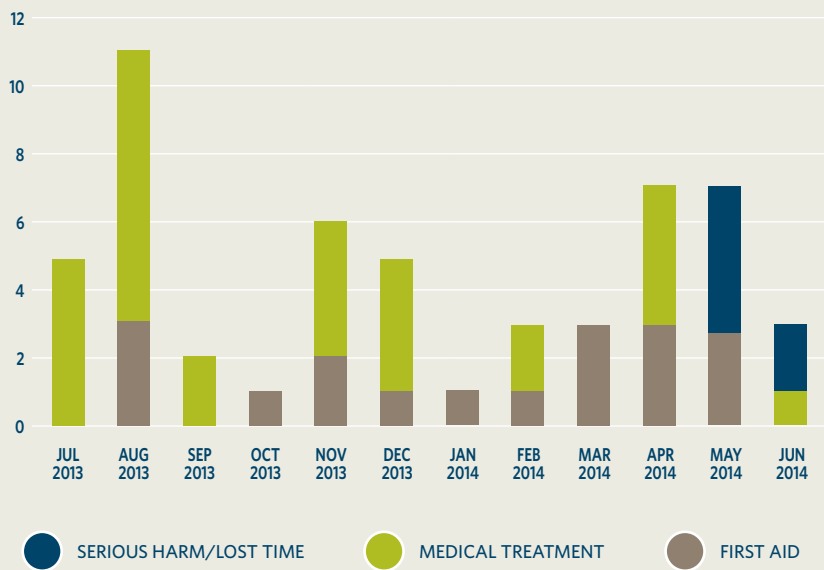
To implement our Zero Harm Strategy, we will put the following in place:

- **Robust corporate governance framework** - allowing our Board and our people to easily understand our critical risks and how we mitigate them. We will provide a real-time, zero harm dashboard for our Board members showing how we are performing against our lead and lag indicators.
- **Training** - our people and their leaders will be trained in the zero-harm way, empowering them to actively engage in zero-harm leadership in the office, on the highway, railway, testing stations or wherever they are working.
- **Systems** - we will support our people and our communities by providing tools that are relevant, easy to understand and easy to use. These will be available for our own people and anyone else who needs them. We will work with our suppliers to provide leadership, training, information and tools to smaller organisations that lack the resources or specialists.
- **Culture** - we will be encouraging our people and our suppliers to sign up, team up and front up to achieve zero harm through our behavioural safety course, 'The key to zero harm'.

In addition to this we will ensure our people are inducted, trained and competent to do their jobs safely. If our people are injured, we will support them and provide an environment that enables them to return to work as soon as they are ready.

As part of our commitment to workplace health and safety, we monitor the number and severity of injuries suffered by Transport Agency people. By investigating these accidents and incidents we can identify areas for improvement.

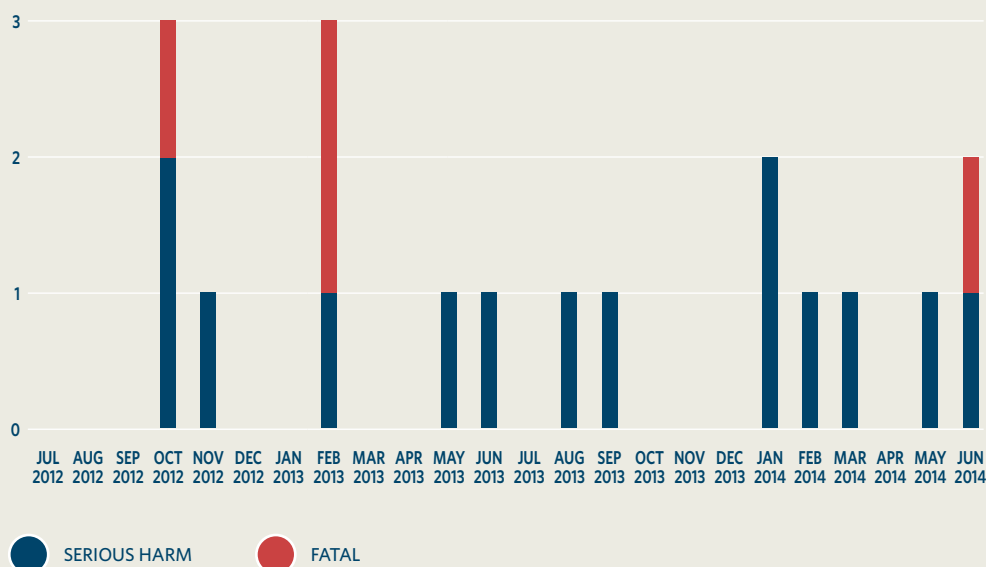
NUMBER OF INJURIES PER MONTH BY SEVERITY (TRANSPORT AGENCY EMPLOYEES ONLY)



There were 54 injuries in the 2013/14 year, an increase of 23 on the previous year. This increase can be attributed to an improved reporting culture and better injury case management with ACC. Slips, trips and falls remain the main cause of injuries, closely followed by body stressing through manual handling or ergonomic issues.

We also record serious harm incidents where the Transport Agency is an employer, a principal to contract or responsible for members of the public through our work.

NUMBER OF SERIOUS HARM INCIDENTS PER MONTH BY SEVERITY (CONTRACTORS WHERE THE TRANSPORT AGENCY WAS A PRINCIPAL TO CONTRACT)



There were nine serious harm incidents, including one fatality, in the year ended 30 June 2014 (an improvement on the previous year, where nine serious harm incidents occurred including three fatalities). The main source of harm this year remains people working around machinery and motor vehicle incidents.